

Gorbachev fends off the critics

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SECOND EDITION

EIGHT PAGES FROM SUNDAY'S

The New York Times

WEEKLY REVIEW

INSIDE TODAY

Most put on belts but not all happy

By ANDY COURT
For The Jerusalem Post

Some people complained, some forgot, but most drivers complied with the new Transport Ministry regulation requiring the wearing of seatbelts on city roads, which came into effect yesterday.

As drivers began to adjust to the new regulation, Transport Minister Haim Corfu told the government yesterday that he would consider exempting taxi drivers from the new regulations.

Transport Ministry spokesman Yehiel Amitai explained the proposal to exempt taxi drivers with the argument that they spend long hours in their cabs. He refused to speculate what would happen if the exemption were granted and other groups, such as deliverymen, demanded similar consideration.

A random survey in downtown Jerusalem yesterday afternoon revealed that 70 per cent of the drivers were obeying the new regulation.

However, not everyone was particularly happy about the new regulation.

"If you're driving five kilometres an hour, why do you need a seat belt?" asked Ya'akov Shein, 49, of Herzliya as he waited in traffic near Jerusalem's Russian Compound. "I don't think it will help -- not in the city."

Many drivers saw the need for the regulation and admitted that they would not have put on seatbelts in the city were it not for the new regulation. Dov Solomon, 44, of Jerusalem said that until yesterday he had been driving for 25 years without putting on a seatbelt in the city.

Rami Hamami, a 22-year-old furniture deliveryman, said that he had backled and unbuckled his seatbelt at least 10 times by midday, but he thought the extra effort was worth it considering all the road accidents.

"There's no doubt about it, it's uncomfortable," said Pinchas Dantino. "But you can give up a little comfort in order to stay alive."

The police said yesterday that they would give written warnings to first offenders, but would impose fines for the second offence.

The fine for a driver is NIS 62. If neither person in the front seat is wearing a seatbelt, the driver will pay a double fine, NIS 124, and the passenger an additional NIS 62.

Wearing seat belts has been mandatory on inter-city roads for some time. The new regulation requiring belts in urban areas will be in effect for a six-month trial period that ends on April 30.

Chirac says it's now the time to respect rights of Palestinians

By ASHER WALLFISH
and BENNY MORRIS
Jerusalem Post Correspondents

French Premier Jacques Chirac said last night it was incumbent on Israel, as it came to maturity in its 40th anniversary year, to understand and respect the rights of the other peoples in the region.

At the festive dinner in his honour in the the Knesset's Chagall Hall last night, Chirac said: "Israel would not be Israel if it did not recognise the rights of others to choose their own destiny." While there was no question that the existence and the security of Israel must be guaranteed, the right of the Palestinian people to self-determination must be both recognised and exercised.

The way of attaining that objective is a matter of debate, he conceded, but the basic condition for its attainment must be mutual acceptance and the pursuance of a dialogue.

Chirac said that he would not intervene in the domestic debate in Israel over the international conference, as opposed to direct negotiations, but he nevertheless dwelt on the advantages of the international conference as a vehicle which would make the powers responsible for assuring that any arrangement reached,would also be made to work.

Shamir said in his speech that if there were any sphere in which the powers could play a productive role, it was by making the conditions for a peace dialogue possible. "The powers can reject all compromise with intransigeance and extremism," Shamir declared.

He said that those who approach the Israel-Arab conflict,without putting it in its real context of a democratic Israel located within a strife-torn region, where countries professing the same religion were locked in merciless combat, are running the risk of falling into error.

Those who do so, he warned, also risk losing perspective and confusing their priorities.

Shamir indicated he is interested in negotiating peace with Palestinians who "recognize Israel and sre not members of the PLO. In the current circumstances," he said, " Israel is interested in conducting negotiations, on the pattern of those conducted with Egypt, with Jordan and with Palestinian Arabs who recognize Israel and renounce terrorism."

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French Premier Jacques Chirac is welcomed by Prime Minister Shamir yesterday in the Rose Garden in Jerusalem. (Harati)

A-G prepared to follow the cabinet lead on Shin Bet

By BERNARD JOSEPHS
and HIRSH GOODMAN
Jerusalem Post Reporters

Attorney-General Yosef Harish indicated yesterday that he would bow to whatever the government decided regarding the prosecution of Shin Bet operatives who perjured themselves in court.

Last night it appeared that the overwhelming majority of the cabinet were willing to endorse the findings of the Landau Commission on the Shin Bet, including its recommendation not to prosecute those agents and officials who lied in court in order to win convictions of terrorists .

The country's legal establishment is bracing itself to deal with the consequences of the commission's report. There were also calls for tighter political control of the security service, and signs of concern that one of the commission's recommendations might legitimize the use of certain forms of "pressure" against security suspects.

The judicial commission, headed by former Supreme Court Justice Moshe Landau, found that the Shin Bet's personnel had systematically lied in court for 16 years to ensure the conviction of suspected terrorists. But it recommended that those responsible for committing perjury and using illegal interrogation techniques in the past should not be prosecuted.

Harish joined those praising the commission's work, describing it as "courageous." But he added: "I don't want to commit myself yet [on whether its recommendations should be accepted]."

Before giving his final verdict he would consult with the government and hear the ministers' views on the subject, he said. The attorney-general added that he would also be meeting senior Shin Bet officials for "basic clarifications in order to ensure that the rule of law and the security of the state will both be maintained."

Harish said the inquiry had got to the root of security service norms, which were "totally abnormal" for an enlightened society. They would undoubtedly be changed, he added. If the Shin Bet needed to exceed the law in order to do its job, the solution was not to break the law but to convince legislators of the need for changes.

There was, said Harish, no middle way. "You cannot say some things are forbidden, but only according to the book, or see the law broken and turn a blind eye. To do so is unnacceptable."

Both Prime Minister Shamir and President Herzog joined those praising the report. The president

(Continued on Page 2, Col. 2)

Driver heard explosion in empty vehicle

Mystery over blazing runaway bus

By ANDY COURT
For The Jerusalem Post

A flaming Egged bus, whose driver was no longer aboard, moved on its own towards the Hebrew University campus in Jerusalem yesterday evening before crashing into a traffic island. The cause of the fire remained a mystery last night.

Police initially suspected that a petrol bomb set the bus on fire roughly a hundred metres before its driver would have picked up his first passengers. Later, however, they revised their assessment and said that the reasons were "not yet clear."

Police sappers and investigators combed the area yesterday as the burnt-out shell of the bus testified to the tragedy that might have occurred had the bus been full of people at the time.

"I heard an explosion of glass, and I saw the area on the floor infront of me ignite," said bus driver Avraham Zrihan, who was about to begin the #9 route at 6 p.m. The bus was travelling up Sderot Shayyeret Har Hazofim, the main roadway leading into the Hebrew University campus, when the fire broke out.

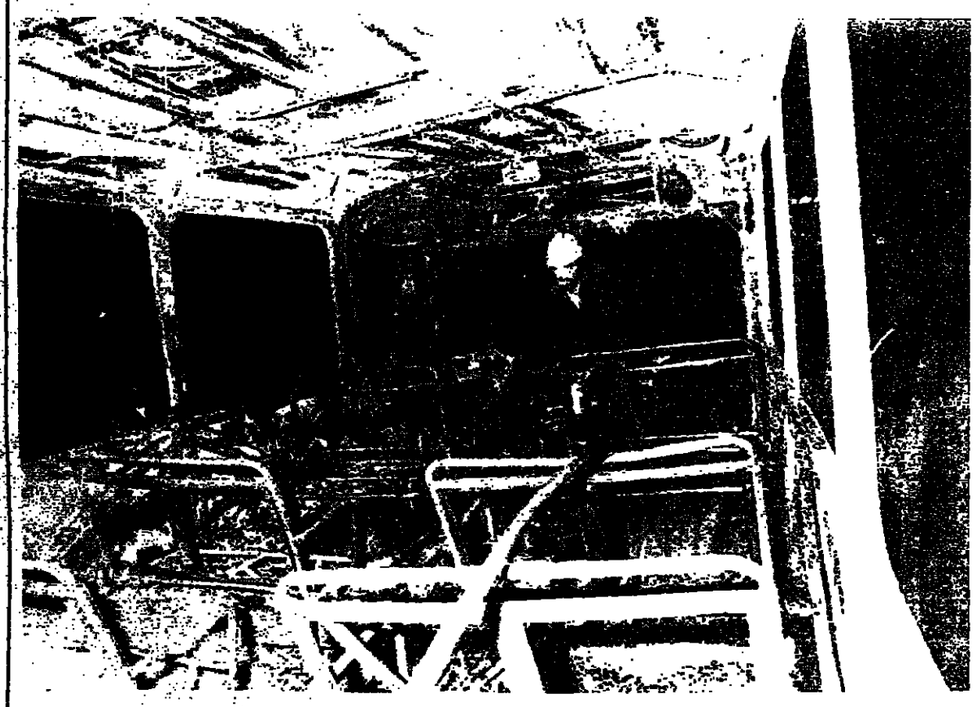
"I put on the handbrake and went to put out the fire," Zrihan said. "But it spread throughout the bus in a matter of seconds."

Zrihan fled the bus and summoned help. After several minutes, the bus suddenly started moving up the hill on its own, he said. The bus was still in gear, and it was climbing, flames and all, towards the campus, he said.

There was little to do at that point except watch the driverless vehicle climb the hill that leads to the campus, Zrihan recalled. Fortunately the bus went up on the curb of the traffic island and stopped before it got close to any of the buildings.

The bus was a gutted wreck after the incident. Shattered glass, burnt rubber, and charred metal covered the street.

Cyrus Hakimi, Egged's security officer for the Jerusalem area, said that a number of things could have caused the fire, and that it was too early to conclude that the fire was caused by a terrorist's petrol bomb.



The gutted remains of the Route No. 9 Egged bus which burst into flames yesterday evening on its way up to the Hebrew University's Mt. Scopus campus in Jerusalem. Police were not yet sure last night whether the fire had been caused by a terrorists' petrol bomb. (Harati)

Probe into Sharon's use of permits ordered

Jerusalem Post Staff

State Attorney Yona Blatman has ordered police to investigate allegations that Industry and Trade Minister Ariel Sharon illegally channelled funds and contracts to political cronies, it was disclosed yesterday in the High Court of Justice.

The Civil Service Commission will also investigate allegations that Sharon's aide, Yisrael Katz, lied about his university credentials in order to obtain his appointment as the ministry's assistant director-general.

Yesterday's announcements came in response to a High Court petition filed six months ago by MK Ran Cohen of the Citizens Rights Movement. Cohen turned to the police a year ago with information on Sharon's alleged criminal activities and asked them to investigate. When the police refused, he petitioned the High Court to order the attorney-general and the police to show cause why no investigation should be opened. After several delays, an investigation was ordered.

The police will investigate allegations that Sharon granted licences to import iron to Ya'acov Elbaz, a member of the Herut central committee, even though Elbaz is nei an importer nor a dealer in ir

They will also investigate a tions that Sharon illegally gi $150,000 to Shmuel Sheva owner of a services business, an Industry and Trade entitl meant for factories and pla distress. Shevah is also a mem the Herut central committee.

The Civil Service Comm will investigate allegations that lied about completing his degree.

The High Court must still de whether to order an investiga into allegations that Sharon bloc the import of mutton so that he p sonally could profit as a sheeprais According to Cohen, Sharon earn some $200,000 as a result of th decision.

Nafsu attacks proposal not to prosecute GSS men for perjury

By DAVID RUDGE
Jerusalem Post Reporter

KFAR KAMA. – Izat Nafsu, whose case triggered the commission of inquiry into the activities of the General Security Service (Shin Bet), yesterday condemned the panel's recommendation that operatives who committed perjury or used illegal interrogation methods should not be prosecuted.

"What about justice?" demanded the former IDF officer, who was released from prison in May by order of the Supreme Court after serving seven-and-a-half years of an 18-year sentence.

Nafsu had been convicted of treason and espionage on the strength of a confession which he maintained had been extracted from him by force by his Shin Bet interrogators.

The Supreme Court cleared him of the main charges because his investigators had used "illegal" interrogation methods and had subsequently lied about it at his trial. The court upheld a lesser charge of not informing his superiors of two meetings he held with a senior PLO commander in South Lebanon, and confirmed two years of his sentence.

The 32-year-old Circassian has filed a NIS 1.3 million compensation claim for the five-and-a-half years he spent in prison unnecessarily.

Nafsu, however, had also expected another form of retribution – against those whose actions and lies had led to his incarceration.

"I had anticipated that the people responsible for putting me in prison and ruining my life would be brought to trial," he told *The Jerusalem Post*. "Instead I see that they are going to be allowed to go free. I feel very bitter," he said.

Nafsu said the methods used during his interrogation included preventing him from getting proper sleep, and forcing him to take cold showers and to stand naked for hours in the middle of winter. He said that he was also threatened and that his investigators belittled him and spat in his face.

TV strike has 'cut road accidents'

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. – The number of serious road accidents dropped by nearly 25 per cent in the last three weeks of October, compared to the same period last year.

The improved figures could be connected with the radio and television blackout, which began on October 8.

Official police figures for the period show that there were 140 serious accidents, including 33 fatal ones, during the last three weeks, compared to 185 serious accidents, including 20 fatal ones, in the same period in 1986.

David Saidel of the Technion's Road Safety Centre told *The Jerusalem Post* that it was difficult to draw "definite conclusions" from the statistics. But additional data might indicate a trend.

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M lays down uling on rips abroad

Post Diplomatic Correspondent

Prime Minister Shamir yesterday d the cabinet that no more than ee ministers should travel abroad any one time.

Shamir excluded himself, the for- minister and the defence minis- from his ruling. This means that ee ministers can be abroad at any time in addition to any or all of three senior ministers.

Deputy Prime Minister David y interjected that deputy prime isters should also be exempted n this ruling. Shamir responded t he would discuss this at a later e.

Expert says Assad pretending to deal with crippled economy

Sacking of Syrian premier 'just a cosmetic trick'

By DAVID BAKER
For The Jerusalem Post

The sudden replacement of Syrian Prime Minister Abdel Raouf al-Kasm with Parliament Speaker Mahmoud al-Zu'bi is merely "cosmetic," designed to give the financially strapped Syrian public the impression that an effort is being made to tackle the problems of the nation's crippled and corrupt economy, according to Dr. Yossi Olmert of Tel Aviv University's Dayan Centre.

In an interview with *The Jerusalem Post*, Olmert said President Hafez Assad's unexpected move to replace the man who has served as premier for the last eight years was not part of a power struggle but a continuation of a highly skilled propaganda campaign. "He wants to show that he is doing something about the problem," Olmert said, adding that Assad remains thoroughly in control of the ruling Ba'ath Party.

The Syrian president has desperately attempted to drum up support for his battle against corruption, a thriving black market, and an absence of basic foodstuffs on the free market. For over a year now, Assad has taken sweeping moves against inefficiency and corruption in the government, punishing over 1,000 civil servants. Since June, four cabinet ministers have been censured, and one of them, Mahmoud al-Kurdi, was forced to resign as minister of agriculture.

For the past three years, cheese, sugar, meat and other staples have been hard to come by. Rising inflation and decreased industrial productivity combined with Syria's drive for military parity with Israel have caused economic chaos, and growing resentment and opposition to Assad's dictatorship. Assad's regime, dominated by the minority Alawite sect, has been in power since 1970.

According to Olmert, Syria has reduced its military expenditures, which in 1986 were estimated at $3.2 billion, or 55 per cent of the national budget. Olmert attributed much of Syria's financial woes to the cost of its military presence in Lebanon. "In addition to the cost of maintaining troops there, Assad's soldiers smuggle in large amounts of goods to Syria from Lebenon, adding to an already rampant black market, and costing the economy hundreds of millions of dollars a year," he said.

With the additional problem of institutionalized corruption in the intelligence and security organizations, Syria now finds itself in dire economic straits. Industry has been left paralyzed because of a lack of raw materials, Olmert said. While official Syrian figures on the economy paint an optimistic picture, the actual situation is grim.

Pointing to a sharp reduction in financial aid from Saudi Arabia, Olmert predicted a possible increase in aid to Syria from that kingdom following next week's Arab League summit in Amman. Arab states have sharply criticized Syria's support for Persian Iran against Arab Iraq in the seven-year-old Gulf War. Assad's critics at home have also joined the dissenting voices, however covertly.

Enthusiastic welcome for Prisoner of Zion

LOD (Itim). - Former Prisoner of Zion Vladimir Lipshitz arrived last night at Ben-Gurion airport to a tumultuous welcome from Soviet Jewry activists and members of Kibbutz Ramot Menashe, which adopted the Lipshitz family. Lipshitz left the formal welcoming ceremony to join in an enthusiastic hora started spontaneously by youngsters from the kibbutz.

Lipshitz, 40, a mathematician, was sentenced in 1986 to three years' hard labour in a prison camp for distributing literature on Jewish emigration. He was pardoned and released after serving only 14 months. He arrived in Israel with his wife, daughter and son-in-law.

Speaking emotionally, Lipshitz declared that while he was in the labour camp, it had helped him to know that the State of Israel existed.

Foreign Ministry raps SA envoy for statement on Israel's policy

By BENNY MORRIS
Post Diplomatic Correspondent

The Foreign Ministry yesterday delivered an unusually sharp reprimand to the South African ambassador because of statements made by him in an interview in last Friday's *Jerusalem Post*.

In the letter dated November 1 and delivered by hand to ambassador Eduard Antonie Loubser at his home, Dr. Allon Liel, the senior assistant to Foreign Ministry political director-general Yossi Belin, stated: "I was astonished by your interview...Your claim that the decisions of the inner cabinet on Israeli policy towards South Africa do not reflect the will of the people is beyond the authority held by a representative of a foreign country and runs contrary to the accepted norms in the relations between nations."

It is understood that Beilin's office over the weekend consulted with the Israel ambassador to South Africa and senior officials at the ministry dealing with South African affairs before sending the letter. The Prime Minister's Office, which has been sluggish in following the Foreign Ministry's lead in the sanctions policy, was not consulted about the letter though Foreign Minister Peres apparently was.

The weather at major Swissair destinations

	MIN. C	MIN. F	MAX C	MAX F	
AMSTERDAM	8	46	13	55	Cloudy
BRUSSELS	6	43	14	57	Cloudy
BUENOS AIRES	18	64	22	72	Cloudy
CHICAGO	8	46	15	59	Cloudy
COPENHAGEN	5	41	8	46	Rain
FRANKFURT	10	50	2	46	Cloudy
GENEVA	11	52	14	57	Cloudy
HELSINKI	2	36	6	43	Rain
HONG KONG	25	77	28	82	Cloudy
JOHANNESBURG	16	61	29	84	Clear
LISBON	14	57	17	63	Rain
LONDON	12	54	15	57	Cloudy
MADRID	7	45	17	63	Clear
MONTREAL	1	34	8	46	Cloudy
NEW YORK	8	46	17	63	Cloudy
OSLO	4	39	7	45	Cloudy
PARIS	10	50	16	61	Clear
RIO DE JANEIRO	18	64	22	72	Cloudy
SAO PAULO	15	59	25	77	Cloudy
STOCKHOLM	4	39	7	45	Cloudy
TOKYO	13	55	19	66	Cloudy
TORONTO	-1	30	13	55	Cloudy
VIENNA	0	32	9	48	Clear
ZURICH	7	45	11	52	Cloudy

*For the latest weather conditions contact Swissair.

Tel Aviv: 1 Ben Yehuda St. Tel: 03-51[illegible]
Jerusalem: 23 Jaffa St. 03-23[illegible]
Ha'Yarkon Sea Road: 03-[illegible]
Dizengoff Shopping Centre: 03-[illegible]
Cargo: Ben-Gurion Airport: 03-[illegible]

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THE WEATHER

Forecast: Rain will begin to fall in the north and will spread gradually to the centre.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	49	11-23	19
Golan	46	11-21	18
Nahariya	-	--	-
Safad	41	12--	17
Haifa Port	-	--	-
Tiberias	46	14-25	22
Nazareth	50	14-23	19
Afula	50	9-26	22
Shomron	61	11-23	20
Tel Aviv	65	12-24	22
B-G Airport	66	12-24	21
Jericho	44	13-27	26
Gaza	63	15-34	22
Beersheba	32	12-25	23
Eilat	35	17-29	28

State Dept. files: No legal obligation to let PLO in NY

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON.– The State Department, in internal documents, has acknowledged that the United States is under no "legal" obligation to allow the PLO's office in New York to remain open.

This position appears to contradict repeated public assertions by the State Department that the U.S., as the host country for the United Nations, has to allow the PLO to maintain its office in New York under the UN Headquarters Treaty. The PLO has official observer status at the world body.

"The United States has never acknowledged an international legal obligation to accord the privileges and immunities to observer missions of non-governmental organizations," one State Department legal opinion said. Elsewhere in the document, details of which were made available to *The Jerusalem Post*, the State Department said: "If permanent observers are not listed in the U.S. diplomatic list, whatever facilities they may be given in the United States are merely gestures of courtesy by the U.S. authorities."

In the internal documents, the State Department cited reasons of policy, rather than legal grounds, for permitting the PLO office in New York to remain open.

Since the U.S. has "tolerated" the New York office for 13 years, it said, any reversal now would "disrupt" U.S. relations with the United Nations.

The issue of the PLO's New York office has become very controversial in recent weeks. Under strong congressional pressure, the State Department in September announced that it was unilaterally closing the PLO's information office in Washington. It cited the PLO's involvement in international terrorism.

But the State Department at the same time insisted that it was obligated, under the UN Headquarters agreement, to allow the PLO's New York operation to remain open. Administration officials expressed the hope that the decision to close the Washington office - reached after prolonged discussion with Jewish organizations – would remove the pressure to close the New York office as well.

But that decision wound up angering several key lawmakers who wanted both offices closed. Privately, they also expressed their irritation over the willingness of the Jewish groups - namely the Conference of Presidents of Major American Jewish Organizations and the American Israel Public Affairs Committee - to accept the compromise.

Thus, Republican Senator Charles Grassley of Iowa introduced an amendment to the State Department's authorization act that the New York office be closed. It was approved on the Senate floor by a voice vote.

In the House, Republican Representative Jack Kemp of New York introduced a motion that the House members of a joint conference committee with the Senate support the Grassley Amendment. It, too, was approved by a voice vote.

The House-Senate conferees are due to take up the matter this week. Inclusion of the Grassley Amendment in the final language of the bill would force the administration to close the New York office, unless President Reagan vetoed the legislation, which is considered unlikely.

What is still possible, however, is that the House-Senate conferees, under very strong administration pressure, might still come up with language which would in effect allow the New York office to remain open. In addition, some Senate and House members of the committee are known to feel uncomfortable about the Grassley Amendment.

Extending the original deadline, the State Department has given the PLO until December to close the Washington office. American-Arab organizations and the American Civil Liberties Union have filed legal motions to reverse that decision. They have cited freedom of speech.



(Assaf Shiloh)

New Soviet immigrant Zalman Efterman (right) who arrived yesterday in time for his 100th birthday, prepares to blow out the candles on his cake in Ben-Gurion Airport's VIP lounge. He is helped in this by his son Ilia (left) and Haim Chesler, secretary of the Public Council for Soviet Jewry. Efterman arrived with his son and daughter and their families after eight years of trying to get an exit permit. Insisting on speaking to reporters in hesitant Hebrew, he noted proudly that he still remembered what he had learnt as a six-year-old in *heder* in a small village in Russia.

Activists hope to use Soviet legal system to help refuseniks

By CHARLES HOFFMAN
Jerusalem Post Reporter

A series of international conferences aimed at exposing the Soviet Union's abuse of "state security considerations" as a reason to refuse Jews permission to emigrate will be held next month in Moscow, Jerusalem, New York, Paris, Brussels and London. The meetings are sponsored by Soviet Jewry activist organizations.

An Israeli who returned from a visit to the Soviet Union recently explained that the conferences are intended to give a boost to a campaign now being organized by Jewish activists in the Soviet Union to "use the Soviet legal system against itself."

The activists reported that even when the formal criteria for emigration are met, the authorities still refuse permission in some cases. These criteria involve an applicant's knowledge of state secrets, his possession of an invitation for family reunification sent by a first-degree relative and permission to leave granted by parents.

The aim of the conferences is to discuss the criteria of state secrecy, cases of arbitrary action by the authorities and how to appeal refusal rulings under Soviet law and international law.

The Aliya Department of the Jewish Agency reported yesterday that of the 6,250 Jews who left the Soviet Union since the beginning of the year, 1,550 came to Israel and 4,700 went to the U.S. and other destinations. The department estimates that by the end of the year, about 8,000 Jews will have been let out of the Soviet Union, and that 2,000 of them will be in Israel.

U.S. paper claims it spoke to Alois Brunner

Nazi living in Syria: 'I would do it again'

CHICAGO (AP). – A published report quotes Alois Brunner, one of the most notorious Nazi war criminals still at large, as saying he regretted nothing he did in World War II and would do it all again.

Brunner, 75, lives in Damascus, where he is protected by the Syrian government in exchange for services to Syria in "security matters," the *Chicago Sun-Times* reported yesterday.

The newspaper said one of its reporters interviewed Brunner last week in a brief telephone conversation in front of a witness.

"All of them [Jews] deserved to die because they were the devil's agents and human garbage," Brunner said. "I have no regrets and would do it again." After confirming he had been living under the name of George Fischer, Brunner hung up, the newspaper reported.

Brunner was the reputed deputy and chief aide to Adolf Eichmann held responsible for the deportation of at least 128,500 Jews. He was sentenced to death in absentia in 1954 in France for crimes against humanity.

Nazi hunters from Israel, West Germany, Austria and France have been hunting for Brunner since his trial. The *Sun-Times* said he had lived in Damascus since 1955, using the Fischer alias.

French lawyer Serge Klarsfeld and his German wife, Beate, reportedly discovered that Brunner had fled to Egypt and then to Syria after World War II.

Israel had a 'Typhoid Mary' for 41 years

By JUDY SIEGEL
Post Science and Health Reporter

A 54-year-old woman living in the North was a typhoid-fever carrier for 41 years and infected five close relatives with the disease before the health authorities realized the connection.

The story of the Israeli "Typhoid Mary" was disclosed in the latest edition of *Harefuah*, the journal of the Israel Medical Association, and was reported by Shmuel Rashpon of the Health Ministry's Haifa district office.

The potentially fatal disease has become fairly rare in this country, due to improved living conditions. In the 1950s, there were 10 cases per 10,000 residents; it fell to one case per 10,000 in the next decade, and the rate has remained static since then. There was a sudden increase in reported cases between 1982-84 with the mass immigration of Jews from Ethiopia, who were promptly treated with antibiotics. In 1985, contaminated drinking water in Shfaram and the Haifa area resulted in a 500 per cent jump in typhoid cases.

The mortality rate of typhoid is 10 to 30 per cent, and the initial symptoms include a persistent, very high fever.

In the case of the "Typhoid Mary," she herself was sick with the disease at the age of 13. In 1965, she infected her own baby. Doctors told her she had typhoid and treated her with antibiotics, but she continued to be a carrier. Her condition, according to the article, was kept secret from the rest of the family.

In 1978, her daughter-in-law came down with the disease; in 1983, six months after her eldest son married, his new wife contracted typhoid. In 1985, a few days after her second son married, his bride fell ill with the disease. Then, in 1986, her 21-year-old daughter-in-law, a student in a teacher's seminary, was hospitalized with typhoid.

Rashpon told *The Jerusalem Post* that the woman's children apparently became immune to typhoid as youngsters, but as soon as someone married into the family, he or she came down with the disease. The mother-in-law refused the doctors' recommendation that she undergo a gallstone operation, which is usually the best way to stop a person from infecting others.

The Haifa district office finally put her on an intensive course of antibiotics, and she was cured. Rashpon noted that if epidemiologists had made a serious check of the origin of the typhoid in the woman's baby in 1965, the subsequent infections could have been prevented. If the woman had worked in a restaurant, said Rashpon, she could have infected hundreds or even thousands with typhoid.

Fatah calls for 'Petrol Bomb Day' to mark Balfour anniversary in areas

By JOEL GREENBERG

A tourist was hurt by a stone hurled at a bus during scattered disturbances yesterday in the West Bank and Gaza Strip in advance of today's anniversary of the Balfour Declaration. Beef[illegible] forces are preparing for wide[illegible] unrest, which security sources say could carry into next week, when the Arab summit opens in Amman.

Leaflets entitled "Petrol Bomb Day" signed by Fatah called for attacks today on Israeli cars. They were distributed in Jenin, Tulkarm and Ramallah. Leaflets calling for a commercial strike and signed by the Popular Front for the Liberation of Palestine were distributed in Hebron and Bethlehem, and similar leaflets were reportedly distributed in Nablus, signed by "Nationalist Forces."

The Civil Administration warned school principals, village leaders and heads of chambers of commerce against unrest and strikes, and more than 120 residents of the Dehaishe refugee camp were summoned to meet today with the Bethlehem military governor in an attempt to smooth over relations in the aftermath of an IDF security sweep in the camp last week, in which a student was fatally wounded. Administrative detention orders have been issued against 15 of the camp residents arrested in the sweep.

Masked youths tried to organise a demonstration in the village of Husan, south of Bethlehem. Stone-throwing was reported in Bethlehem and Dehaishe, and a tire was burned near Rachel's Tomb. Similar incidents were reported in Al-Bireh, Jenin and Nablus.

In Ramallah, a man whose legs had been blown off was brought to the government hospital. Security forces believe the man, who also suffered shrapnel wounds, was injured by a bomb he was rigging in the Bir Zeit area.

A tourist bus was stoned near the Akabat Jaber refugee camp outside Jericho, its window was smashed, and a passenger was slightly hurt. Stone-throwing incidents were reported in Hebron, where youths whose faces were hidden with keffiyehs urged shopkeepers to close their shops.

In the Gaza Strip, Palestinian sources said protesters carrying a Palestinian flag marched down Gaza's main Omar al-Mukhtar Street, and were dispersed by troops. Protests were also reported at schools in the neighbouring Jebaliya refugee camp, where pupils reportedly burned tires, hurled stones and empty bottles at troops, and raised Palestinian flags. Security forces arrested about a dozen pupils, according to the sources.

Herzog going to Denmark for state visit

By JUDY SIEGEL
Jerusalem Post Reporter

President Herzog leaves tomorrow for Denmark on the first state visit by an Israeli chief of state to Scandinavia. He will be the guest of Queen Margrethe II.

The queen – an accomplished archeologist and artist who has also designed stamps and theatre costumes – will personally accompany Herzog and his wife Aura for much of the trip. The most symbolic event will be the visit to a small fishing village, Gilleleje, from where the Danes smuggled numerous Jews to safety in neutral Sweden under the very noses of the Nazis during the Holocaust.

Israel Peled named consul general in Philadelphia

Jerusalem Post Reporter

The Foreign Ministry appointments committee yesterday named Israel Peled, the outgoing director of the Government Press Office, consul general in Philadelphia.

Until a few weeks ago, Peled was Labour's choice to succeed the National Religious Party's Micha Yinon as chairman of the board of the Broadcasting Authority. But Yinon's term, which expired officially in April, has dragged on, with the authority beset by strikes and Labour and the Likud bickering about a successor. It is now expected that the former Jerusalem city manager, Ronnie Feinstein, will succeed Yinon when he steps do[illegible]

Prime Minister Shamir terminated Peled's tenure at the GPO in favour of a Likud candidate, Moshe Amirav, former road safety director at the Transport Ministry. But Amirav apparently forfeited the appointment when it was revealed several weeks ago that he had been conducting talks with Palestinians identified with the PLO on the West Bank.

Foreign currency reserves dropped $123 m. last month

By AVI TEMKIN
Post Economic Reporter

Israel's foreign currency reserves dropped by $123 million last month, the Bank of Israel announced yesterday. It was the largest drop in reserves since 1986, bringing their level to $4.4 billion at the end of the month.

The reserves figure did not include the $1.2 billion Israel is due to receive this week from the U.S. as civilian foreign aid for 1988. The Bank of Israel and the Treasury had thought the money would arrive before the end of October. Bank officials said yesterday that it would arrive in the next few days, and this would be reflected in the reserve figures for November.

Government officials yesterday told *The Jerusalem Post* that the Treasury and the central bank had encouraged the private sector to repay as many debts as possible, and that the government had also tried to repay old loans. It was because of such efforts that the reserves had gone down. They added that otherwise the reserves would have gone up, a development the Treasury was trying to prevent.

ATTORNEY-GENERAL

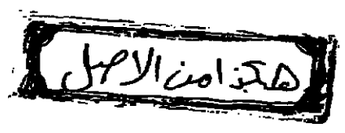
(Continued from Page One)

said that "very few" countries would be capable of dealing with faults in their security services in such a way.

He continued: "The test of a proper democracy is the exposing of faults and dealing with them courageously. No person and no organization should be immune to criticism or be above the law."

At yesterday's cabinet meeting Shamir told ministers they could read the secret section of the report – but only if they did so in the office of his military secretary, Tat Aluf Azriel Nevo. The matter will be discussed in cabinet after the ministers have had a chance to digest the report's contents. Some parts of the report will be debated when the government meets in secret session as the Ministerial Defence Committee and some sections will only be discussed by the inner cabinet.

Abba Eban, chairman of the Knesset's Foreign Affairs and De[illegible]



[illegible] planning to lodge appeals for retrials in the wake of the report's finding that illegal interrogation methods had been used to extract confessions and that Shin Bet agents had lied in court.

Citizens Rights Movement MK Yossi Sarid said that he would present a motion in the Knesset today to extend the right of appeal to the territories. At present such applications have to be directed to the High Court or to the local military commander.

Some lawyers and civil rights activists are concerned about the recommendation that the use of limited physical and psychological pressure by security service interrogators be approved by the authorities.

The Civil Rights Association, which will issue a statement on the report tonight, is believed to be disturbed by this suggestion. The "limits" of methods used in questioning prisoners are contained in the secret section of the report, but the main concern is over how such criteria can be set and by whom.

Reactions inside the Shin Bet, according to one source yesterday, were relatively "muted." The narrow focus of the report, concentrating as it did only on the interrogation practices of the anti-terror unit of the organization, had no implica[illegible] for any of the other depart[illegible] and thus little overall impact,

[illegible] read it out of curiosity and [illegible] natural concern over what [illegible] al aspects of the Shin Beth [illegible] ing to be made public. But [illegible] is absolutely no feeling of a [illegible] r a major shakeup that will [illegible] its wake," he said.

[illegible] ions by the operational ech[illegible] the department directly im[illegible] l by the commission, howev[illegible] ere that they had been [illegible] ted by the report. From their [illegible] ctive, the report made clear [illegible] hey had operated under or[illegible] in accordance with accepted [illegible] ice, and that while the practice [illegible] have been questionable, their [illegible] ns were not.

[illegible] ey did not fear that the new [illegible] elines, some of which are appar[illegible] y outlined in detail in the classi[illegible] sections of the report, would [illegible] inish their ability to operate. [illegible] ey felt that the recommendations [illegible] uld formalize the limits of per[illegible] sible interrogation practices and [illegible] s make their job easier.

In the Shin Bet's legal department, preparations were being made to cover the eventuality of mass petitions for retrial by prisoners who are still entitled to appeal their sentences. According to well-placed sources the number of potential cases is "quite limited" and far less threatening than the public has been led to believe.

Thousands expected at Rachel's Tomb

By HAIM SHAPIRO
Jerusalem Post Reporter

Thousands of Jewish worshippers are expected to visit Rachel's Tomb near Bethlehem tonight to mark the traditional anniversary of the death of the Matriarch.

The tomb will be kept open for the entire night and, as in previous years, will no doubt be crowded even in the early hours of the morning.

Rachel, who was Jacob's wife, was the only one of the four Matriarchs not buried in the Cave of Machpelah in Hebron. Women who find it difficult to conceive are advised to pray at her tomb.

CHIRAC

(Continued from Page One)

He suggested that the powers - implicitly including France - could contribute to the Middle East peace process by prodding the Arab states towards direct negotiations with Israel.

Shamir praised Chirac's "courage" in hosting a breakfast during his recent visit to Moscow for leading refuseniks. Some of them, including Ida Nudel, Yuri Edelstein, Vlasdimir Slepak and Victor Brailowsky attended lasst night's Knesset dinner.

Before the dinner began, Chirac went out of his way to praise Jerusalem Mayor Teddy Kollek as "the best mayor in the world." His fulsome words to Shamir as he shook Kollek's hand, stood out sharply against the French refusal to call on Kollek at City Hall, lest this offend France's Arab friends.

The Jerusalem Post has learnt that Kollek wrote Chirac expressing his regret that he could not meet the French Premier officially, at any other location, since this was a principle he could not waive. Chirac wrote Kollek back saying that he too was sorry he could not bend on this issue.

Earlier yesterday, the two prime ministers met for 90 minutes tete-a-tete, reviewing a broad range of regional and world problems, including the peace process, the Gulf war, the situation in Lebanon, and East-West relations, with particular emphasis on the problem of Soviet Jewry.

The two premiers discussed the possibility of convening an international peace conference, with Shamir rejecting the idea and Chirac arguing that there was no alternative opening for Middle East peace talks.

Emerging from the meeting, Shamir described it as "more than friendly, almost intimate," according to one of Shamir's aides. The meeting had originally been scheduled to be half tete-a-tete, half working session with the delegations, but the two premiers apparently preferred to extend the tete-a-tete. Unusually, no one took notes.

At a further, working session today, Shamir, accompanied by Science and Technology Minister Gideon Patt, will discuss the possible improvement of science ties with France, including the establishment of a joint research and development fund for high-tech studies.

Chirac, who arrived yesterday just after noon, was received at the Rose Garden near the Knesset by Shamir and Mayor Teddy Kollek.

Andy Court adds:

Instead of the traditional welcoming ceremony at City Hall, Kollek and Chirac settled for warm words in the rose garden.

Kollek flew back early from a fund-raising trip in the United States to join Chirac at the opening of Paris Square in the Wohl Rose Garden.

But the opening yesterday afternoon – immediately after the government's welcoming ceremony for Chirac – was not intended as the municipality's official welcome. Chirac declined to attend a welcoming ceremony at City Hall, fearing that it would be interpreted in the Arab world as a sign of French recognition of Israel's annexation of East Jerusalem. Kollek refused to hold the ceremony anywhere else.

The atmosphere in the garden yesterday was nonetheless as friendly as it was formal.

"I am pleased to pay tribute today to the strong, vibrant ties (between our two cities) by naming this garden after Paris and by reiterating that in this everlasting, ever-open city of Jerusalem, France has nothing but friends," Chirac said.

Kollek escorted Chirac through Paris Square, which contains hundreds of French-bred roses and white, latticed trellises – all paid for by the city of Paris through the auspices of the Jerusalem Foundation.

ROAD ACCIDENTS

(Continued from Page One)

Giora Keinan of Haifa University's Psychological Stress Research Centre told *The Post* that if the blackout proves to have been instrumental in reducing road accidents, he thought the most likely explanation was that "people get more sleep," as they don't stay up to watch TV to the end.

Another explanation, which he called "more of a speculation," was that because so many of the TV films are packed with aggression and violence, "not seeing them every night reduces aggression in us. This may well express itself in our road manners."

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Helga and Reuven Sanders
Granddaughter – Irit Sanders

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Please refrain from condolence visits.

Ramat Gan, November 1st, 1987

With deep sorrow we announce the death of

Prof. MERTON DAGUT

The funeral will be held at the Kfar Samir cemetery, Haifa, on Tuesday, November 3 at 12 noon.

Mourned by
His Loving Family and Friends

Sweeping changes in China's leadership

Deng leads exodus of aged from top party forum

PEKING (AP). - China's senior leader Deng Xiaoping resigned from top ranks of the Communist Party yesterday, carrying out his promise to lead an exodus of aging leaders and rejuvenate the party.

The names of other older party leaders, including President Li Xiannian and economist Chen Yun, were also missing from the list of 175 Central Committee members announced at the closing session of the 13th National Party Congress.

The makeup of the new committee, the party's nominal governing body, signalled sweeping changes in the Chinese leadership. Nearly half of the 209 members of the old Central Committee lost their positions.

Many of those removed were aging political conservatives who have resisted the pace of Deng's reforms. Deng supporters, including Hu Yaobang, who resigned in disgrace as party chief last January following pro-democracy student unrest, stayed on the committee.

Nine out of the 20 members of the current party Politburo, chosen from the Central Committee, were ousted from the larger body. The average age of those nine, including the 83-year-old Deng, was 78.7.

Deng also retired from the Central Advisory Commission, a body of elders formed at the last party congress in 1982 to begin the process of easing aging revolutionaries from power. Deng had been chairman of the commission.

The congress, however, amended the party constitution to allow Deng to retain his post as chairman of the Central Military Commission. He is expected to continue to exert considerable influence over party policy from behind the scenes.

Deng appears to have accomplished his two major objectives at the party congress: to gain firm party backing for his market-oriented reforms and to bring in younger leaders who will support them.

The congress, convening for the first time in five years, ended its eight-day session yesterday with the announcement of the new central committee, which was chosen by a secret ballot of the nearly 2,000 delegates. Deng's protege Zhao Ziyang, the acting party chief and premier, presided over the meeting. The ailing Chen Yun, 82, long a nemesis of Deng's policies, was missing at the final session, parts of which were open to foreign reporters.

Congress officials first told reporters they would be allowed inside the cavernous hall at 10 a.m., but they were not let in until almost two hours later. There was no immediate explanation.

Zhao, in his keynote address at the opening session, confirmed that Deng's policies of giving top priority to increased production and modernization would be needed until the middle of the next century.

During this period, which Zhao called the "primary stage" of socialism, he said China's main task will be to eliminate the poverty that exists in the nation of 1 billion people.

Zhao also unveiled a blueprint for political reforms, including the separation of party and government functions and the formation of a civil service system.

The new Central Committee was to hold its first meeting either yesterday or today to select members for the Politburo and the all-important Politburo Standing Committee.

Zhao is expected to be the only person to retain his seat on the standing committee, which is currently made up of five people—Deng, Zhao, Li, economist Chen Yun and Hu Yaobang.

Among other prominent party members removed from the central committee were army chief of staff Yang Dezhi, 78, Marxist ideologue Hu Qiaomu, 75, and Politburo member Xi Zhongxun, 79.

The Central Committee will also choose a new secretariat, an 11-member body responsible for the party's day-to-day affairs, and will officially confirm Zhao as general secretary, the head of the party.

Zhao, who took over from Hu Yaobang in January, will continue to be premier until a successor is chosen at the National People's Congress, China's parliament, next spring.

The official Xinhua news agency said the delegates passed a resolution approving Zhao's work report and praising the "important contributions" made by Deng in the nine years he has been China's senior leader.

It said that at the close Zhao urged the delegates to put into practice the policies of the primary stage of socialism and "lead the Chinese people in continuing their advance along the road of building socialism with Chinese characteristics."



Chinese leader Deng Xiaoping, left, with his likely successor, Zhao Ziyang, during the closing stages of the Communist Party congress in Peking yesterday. (AFP)

Officials and dealers accused of illegal arms to Iranians

PARIS (AP). – A new scandal, which some reports are calling the French Irangate, appeared to be budding yesterday over the sale of munitions to Iran by a French arms manufacturer with the alleged complicity of high defence ministry officials.

According to press articles over the weekend, an investigating magistrate in Paris is seeking to have a Defence Ministry report on the sales declassified so that judicial proceedings can be initiated against several people.

What is known as the "Luchaire affair" involves the clandestine delivery of 450,000 artillery shells to Iran between 1983 and 1986 under the Socialist government of Premier Laurent Fabius.

Reports in two weekly news magazines implicate high-ranking officials in the office of former defence minister Charles Hernu and say that even President Francois Mitterrand knew about the sales, which contravened a government embargo on shipments to Iran.

The press articles were based on a report, classified "confidential defence," by Jean-Francois Barba, comptroller-general of the armies. According to the report, cited by the weekly *Le Point*, "There is no doubt that members of the office of the minister of defence covered this illegal export."

The magazine also cited the official report as saying the Socialist Party received a commission of 3 to 5 per cent on the sales, estimated at 700 million francs.

Hernu, in a television interview, denied having been involved in illegal arms sales and said the news articles were part of a series of manipulations being carried out by the ruling Conservatives in the run-up to next spring's presidential elections.

News first broke in February 1986 when the Cherbourg newspaper *La Presse de la Manche* revealed that in 1985 two Bahamas-registered cargo ships made voyages with more than 140,000 155mm. and 203mm. shells, officially destined for Portugal, Brazil, Thailand and Pakistan.

In reality, the cargos were unloaded in the Iranian port of Bandar Abbas.

At the time, the French government denied any responsibility for the affair and Hernu said France had delivered no arms to Iran.

In March 1986, Paul Quiles, Hernu's successor, announced the opening of a judicial investigation into the Luchaire affair for "violation of the regulations on the export of war materiel."

Adm. Rene Lacoste, then the head of the French intelligence agency, the General Directorate for External Security (DGSE), several times alerted Jean-Francois Dubos, a counsellor to Hernu, and even Mitterrand, about the sales, *Le Point* quoted the report as saying.

Immediately after the Conservatives came to power in March 1986, the new defence minister, Andre Giraud, ordered an investigation into the sales by Barba. The result was Barba's report, which the weekly *L'Express* said established that the arms traffic was first spotted by the DGSE in January 1984.

According to *L'Express*, Daniel Dewavrin, president of the Luchaire company, justified the sales by saying his company needed them to get out of a catastrophic financial situation.

Le Point's article quoted the official report as saying that Hernu's counsellor, Dubos, put together the illegal export plan with Dewavrin.

The money was paid, according to the magazines' version of the official report, through a complicated series of bribes, kickbacks, foreign banks, intermediaries and foreign subsidiaries of the Luchaire company.

Flare-up in air war in Gulf

NICOSIA (Reuter). – Iran and Iraq bombed each other's oilfields yesterday as Soviet envoy Yuli Vorontsov conferred with Iranian officials on UN efforts to end the Gulf war.

Teheran Radio, monitored in Cyprus, said Iranian air force jets struck Iraq's Ayn Zahlah oil installations 400km. northwest of Baghdad, close to the border with Turkey and Syria, causing heavy damage.

In Baghdad, a military communique said Iraqi planes raided Bahragan Sar oilfield, 64kms. north of Iran's main oil terminal at Kharg Island, as well as inland oil sites at Omidiyeh in southern Iran. The Iraqis said they left their targets in flames.

Iran acknowledged only the Omidiyeh raid but said it damaged a service facility and caused no casualties.

Vorontsov, the Soviet first deputy foreign minister, was on the third leg of a Gulf war diplomatic-sounding mission. He had already visited Baghdad and Kuwait, which supports Iraq and which has been hit several times in the past fortnight by missiles it said were fired by Iran.

Vorontsov's mission was stirring particular interest because Iraq and Iran have just delivered to the UN confidential replies on a ceasefire proposal and there was speculation that a truce in the seven-year-old war might be within reach. The Soviet envoy has said a ceasefire would have to be implemented sooner or later.

In Brussels, the Belgian defence ministry said yesterday that Belgian and Dutch minesweepers were nearing the Gulf area and would begin operations in the Gulf of Oman just outside the war zone tomorrow. They join French, British and Italian ships sweeping the lower Gulf and the anchorages outside its entrance.

U.S. minesweepers arrived a few days ago for duty further north in the Gulf.

Mass protest in Spain against pact with U.S.

MADRID (Reuter). – Tens of thousands of pacifists from all over Spain marched through Madrid for the second Sunday in succession calling for an end to a bilateral defence agreement with the U.S.

"We don't want any bases, any military installation ... or a single soldier on our territory," a spokesman for the State Pacifist Movement told the march.

Last week, some 20,000 protesters rallied in Madrid in a similar demonstration demanding the removal of the four U.S. military bases in Spain and Spanish withdrawal from the North Atlantic Treaty Organization (Nato).

At least 70,000 pacifists joined this Sunday's march.

The 34-year bilateral defence agreement expires next May and Spain has threatened to rescind it within the next two weeks if no agreement is reached on reducing the 12,500 U.S. troops stationed in Spain.

Talks between Washington and Madrid are scheduled to take place on Thursday and Friday.

Spain is also seeking removal of 72 F-16 fighter-bombers from the Torrejon airbase near Madrid, which the U.S. sees as essential for the security of Nato.

Spaniards voted to stay in Nato in a referendum in 1986, but their country does not form part of the Western alliance's military command structure.



Reigning champion Gary Kasparov, down 4-3 against Anatoly Karpov in their world chess contest in Seville, during the seventh game at the weekend. (AFP)

Ninety-one now being held in Malaysia clampdown

By ROGER MAY

KUALA LUMPUR (Reuter). – Opposition politicians and social activists have called for the immediate release of Malaysians arrested under a law allowing detention without trial, but three more people were held on Saturday night.

The latest arrests bring the number detained to 91 in what officials say is a campaign to curb racial tension between Malays and ethnic Chinese and to avert possible riots.

The clampdown, which includes a ban on political rallies, is the most severe in the Southeast Asian nation for over a decade. Both government and opposition figures have been detained.

Eleven groups, including opposition political parties, social reform and environmental organizations and journalists, issued a joint statement saying it was unjust to detain Malaysians for exposing scandals and fighting injustice.

"We urge all concerned Malaysians to join us in getting the police to put an immediate stop to the detentions and release immediately all the detainees," said the statement, which was issued on Saturday evening.

The groups also called for Malaysia's Interior Ministry to restore the revoked licences of three newspapers accused of fomenting racial discord.

The banned papers are the *Star*, a liberal English-language daily, *Sin Chew Jit Poh*, a Chinese-language daily and *Watan*, a bi-weekly Malay-language publication.

Reports of threat to Gorbachev discounted

By HENRY GOTTLIEB

WASHINGTON (AP). – Despite evidence of some Kremlin resistance to his programmes, Mikhail Gorbachev retains a firm grip on power in the Soviet Union, and plans for a superpower summit remain on track, a high-ranking U.S. official said.

"I don't think Gorbachev is in trouble," said Rozanne Ridgway, assistant secretary of state for European affairs, commenting on remarks by Soviet officials about grumbling within their ranks.

Officials in Washington, always interested in the workings of the Soviet government, are especially watchful these days, as President Ronald Reagan prepares for a scheduled summit with Gorbachev on December 7.

Ridgway's remarks, in a Cable News Network television interview, represented the first public analysis by a top U.S. official of recent manoeuverings in the Soviet Union. Senator Richard Lugar, a senior Republican on the Senate Foreign Relations Committee, said on the same programme that he agreed with the evaluation.

Boris Yeltsin, chief of the Moscow Communist Party, has criticized the party's style under Gorbachev and has offered to resign.

There were published reports from Moscow before Friday's announcement of a summit date that Gorbachev had delayed agreeing to a Washington trip because he was distracted by dissent in the highest ranks of his party.

Ridgway said that Soviet Foreign Minister Eduard Shevardnadze, during pre-summit talks in Washington on Friday, was "quite candid" about resistance to some of the Gorbachev policies – which call for a more open Soviet society and improvements in the country's economy.

Asked to assess Gorbachev's hold on power, Ridgway said, "I think it's a very firm grip. We still see him making changes in politburo membership." She added: "Last week the stories were coming out of Moscow that 'this was a man in trouble. There's conflict. He seems weak.' Well, he was still making his appointments to the politburo, and I don't think that's a sign of weakness." She said it would be difficult to assess the impact of the resignation offer by Yeltsin because it is not known whether he made it out of frustration, administrative failure, disappointment or other reasons.

"We would have to know why, before we could say what it means for Gorbachev," she said.

In the meantime, plans for the summit are proceeding, and Ridgway predicted that both sides would be able to devise a verification system that would prevent Soviet cheating and satisfy senators called on to ratify an intermediate-range missile treaty.

Soviet and U.S. experts will resume discussions in Geneva this week to iron out differences on the number and type of inspections that would be permitted to ensure that the missiles and their 2,200 warheads to be withdrawn by a treaty are, in fact, taken away.

Anatoly Lukyanov, a Communist Party official at a news conference on Saturday said that Yeltsin also criticized the pace of reforms championed by Gorbachev, who was named Soviet leader in March 1985.

It was an extraordinary acknowledgement of disagreement in the Soviet Union's highest policy-making bodies, which official statements and the state-run media depict as monolithic.

Indicating the subject's extreme sensitivity, the official Tass news agency, which carried the text of Lukyanov's remarks about Yeltsin in Russian and English, distributed a message shortly afterward recommending that editors not print it.

Yeltsin, 56, was considered a protege of Gorbachev and one of the most outspoken supporters of the Soviet leader's social and economic reform campaign.

Lukyanov indicated Yeltsin made sharp criticisms during an October 21 closed-door meeting of the party's Central Committee, but it was unclear whether he criticized the Soviet leader or party officials he considered to be slowing Gorbachev's reforms.

"In his statement, there were some erroneous attempts and assessments," Lukyanov said. "Members of the Central Committee did not agree with him and believed there were political mistakes in his statement." Lukyanov sidestepped a question on whether Yeltsin criticized Yegor Ligachev, considered the Kremlin's no. 2 man, for slowing Gorbachev's reforms.

Soviet leader takes frank look at the state of his country

Gorbachev, in excerpts from a book to be published next month, praises and faults the Soviet Union's industries and people.

A six-page excerpt published this weekend in U.S. News and World Report includes admissions by Gorbachev of inferior Soviet household appliances, corrupt officials, weak family ties among Soviet citizens and poor health services.

At the same time, Gorbachev declares a "firm trust in Socialist democracy and Socialist humanism" and warns Western critics: "Do not rush to toss us on the 'ash heap of history.'" The book, Perestroika and New Thinking for Our Country and the Whole World, is to be published in the Soviet Union and the United States. "Perestroika" means restructuring.

Publication of the excerpts in the magazine follows release in the weekly Moscow news of excerpts from the book, which included a declaration that any delay in beginning reforms could have led to "serious social, economic and political crises." In the U.S. magazine's excerpts, Gorbachev says the Soviet Union is the world's biggest producer of steel, raw materials, fuel and energy and yet has shortfalls because of waste or inefficiency.

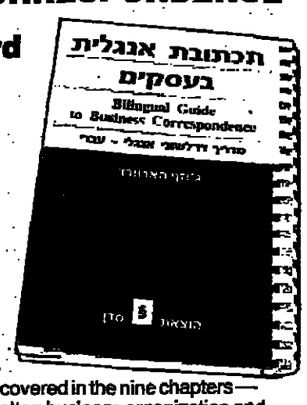
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BILINGUAL GUIDE TO BUSINESS CORRESPONDENCE

By Joseph Harvard



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Greetings on behalf of IWIN:
Hanna Rabinovitch
Artistic Programme
In the chair: Raya Jaglom, Chairman IWIN
Artistic Programme
In the chair: Raya Jaglom, Chairman IWIN
Wednesday, November 4, 1987, 5:30 p.m.
Rebecca Sieff Wizo House, 38 David Hamelech Blvd., Tel Aviv

What's important? Name that Tune!

The Broadcasting Authority strike and the absence of the hourly news bulletins on Israel Radio are of little consequence to thousands of listeners to Galei Zahal, who will be tuned into *Tav Hasha'ah* at 11:00 this morning, many of them hoping to win the jackpot of NIS4,900 or more.

Tav Hasha'ah means Note of the Hour. It's a play on *Tzav Hasha'ah*, which is also a *double entendre*. It means both the Military Command of the Hour, which makes sense for an army radio station, and just plain Order of the Hour, meaning the top priority of the day – one of the cliches found in letters to the editors written by elderly and outraged readers demanding a less frivolous attitude by the country's officials, journalists or youths.

So *Tav Hasha'ah* has in its name a hint that there are important things going on during the two hours between 11 a.m. and 1 p.m., Sundays through Thursdays.

And what's important? Money and music, not necessarily in that order, sandwiched between more or less significant current events. It's a Name that Tune show, run by comperes Rafi Reshef and Dubi Lentz, who play the first note or bar of a recording and then accept five phone calls from people who think they recognize the title and performer.

People have probably hurt their fingers dialling frantically in an attempt to get through to the show. It takes less than 15 minutes for the five callers who manage to get through both the telephone system and the competition of hundreds of other exasperated fans to make their guess.

Every wrong guess adds NIS 50 to a pot donated by Bank Otzar Lahayal.

And when this morning's show goes on the air, the pot will be at NIS4,900, which means that 98 listeners over more than a dozen weeks have failed to identify the first four bars of a Herb Alpert-like big band rock beat. And if nobody gets it right, tomorrow the show's producers will be on the phone to well-known personalities – musical, political, and others in the inside circles of media mavens – who will be given a chance to guess. If any of the celebrities strikes gold, he won't get the money, said Alon Arnon, one of the show's producers, and if nobody gets it right, the next day the pot starts declining, NIS50 at a time, with every wrong answer.

Tel Aviv Tel Aviv

Robert Rosenberg

Reshef also conducts soft-spoken unaggressive telephone interviews with newsmakers from a variety of fields. Yesterday it was with football player Moshe Sinai commenting on Hapoel winning the Tel Aviv soccer derby; Izat Nafsu commenting on the Shin Bet inquiry; Abie Nathan on the IBA strike; and a high-schooler from Mikve Yisrael hospitalized after a chain and knife rumble between two gangs.

Yesterday's programme began with a letter from a listener. Georgette wrote to complain that she believes there's something fishy in Galei Zahal. For three weeks she's been trying to get through to 03-813344, the *Tav Hasha'ah* switchboard, and when she's lucky enough not to get a busy signal, the person who answers hangs up on her. "Corruption," she charged.

Reshef, who never sounds indignant, denied the allegation, in a voice that sounded as though he was about to fall asleep or had just woken up from a nap.

The patter between Reshef and Lentz can be infuriating. With the practised mellifluousness of radio announcers, they are basically running a continuous inside joke at the expense of the caller who has been trying to get through for weeks with an answer that is wrong anyway.

A man who works for the army had his secretary call in, and when she got through he sang "Watermelon Man." He deserved the condescension. He even got the tune wrong. Another NIS50 went into the pot.

Sharon from Petah Tikva thought it was "Blue Moon," and she was wrong. So was the caller who thought it was the Peter Gunne theme song, as played by the Blues Brothers. That's been a favourite wrong answer for weeks.

Menachem from Kibbutz Dan played through the telephone a recording of what he said was "the Dutch version" of the tune. It was the wrong tune. It didn't even have the same tempo. "Try playing it at a different speed," quipped Lentz.

Today, with the pot starting at NIS4,900, Reshef and Lentz will take five more calls from people trying to Name the Tune.

Thousands will be ready, fingers on the dial or the pushbutton – or even clustered around a transistor radio, ears cocked for the thrill of victory or the agony of defeat.

For them, the mystery of the tune's identity is a lot more important than anything else that might be on the news broadcasts they are missing.

Breakthrough to First Temple days

By ABRAHAM RABINOVICH
Jerusalem Post Reporter

It would take a bit of imagination to conjure up the rooftop from which David spotted Bathsheba bathing or the city ramparts which Jeremiah and Isaiah must have paced as they looked out over the fertile Kidron Valley and the desert beyond, into their own souls. But the Yad Ben-Zvi institute's model of First Temple Jerusalem in Jerusalem's Jewish Quarter which opens for viewing on Sunday provides the public with a realistic setting on which to project the lust, inspiration and other human traits of our forefathers.

Although Herodian remains from the Second Temple period such as the Western Wall are a tangible everyday reminder of the grandeur that marked the final centuries of the 1,000-year Israelite state, the First Temple period when it all began remains a misty, Sunday School vision even for most modern-day Jerusalemites.

The model, constructed over the past year and a half under the direction of Dr. Rivka Gonen, an archeologist from the Israel Museum, promises to do for the First Temple Period what the Holyland Model, built under the guidance of the late Prof. Michael Avi-Yonah, did for Second Temple Jerusalem.

A principle difference is that Avi-Yonah was able to create an entire city from ample historical evidence -- particularly writings of the contemporary historian, Josephus Flavius – and brilliant conjectures. There is little evidence for First Temple Jerusalem, and the imagination investment has been left to the viewer.

The white 35-square-metre model filling the exhibition room seems at first glance to be virtually empty except for terraced topography.

"We had no Josephus for our period," notes Gonen, "and the archeological evidence is very scanty. We decided to put into the model only what has actually been found."

Scanty as this may be, it is infinitely more than existed just two decades ago when Israeli archeologists began to probe the area after the Six Day War. "We didn't even know the size of the city," notes Gonen. Although excavations in the area were begun more than a century ago by the indefatigible British explorer Charles Warren, they produced few remains of the period. Time and successions of invaders had destroyed much of the city and almost all of what was left was destroyed by Herod in his monumental building programme.

Eight seasons of digging at the difficult City of David excavation site, under Prof. Yigal Shilo of the Hebrew University, succeeded in retrieving the first significant evidence of daily life in First Temple Jerusalem from its virtual beginnings in the 10th century BCE.

In the Upper City, today's Jewish Quarter, Prof. Nahman Avigad found Babylonian arrowheads below the city wall that marked the end of First Temple Jerusalem in the sixth century BCE. Avigad was to find evidence that supported the "maximalist" school among archeologists that maintained that First Temple Jerusalem was several times larger than the small city portrayed as clinging to the ridge above the Siloam Spring by British archeologist Kathleen Kenyon.

"We hope that in another 20 years we will have twice as many finds to place on the model," says Gonen.

The model's topography is based on a map completed in Leipzig in 1911 by a German schoolteacher, August Kummel. He had never been to Jerusalem but as a hobby, compiled a precise map from archeological reports he had obtained. On the basis of subsequent archeological digs, his findings have been altered for the model where necessary. There are significant differences from today's topography in the valleys, some of which are 20 metres or more shallower.



(P. Tikiner/Media)

The model was built by Yehuda Levy-Aldema, a Bezalel-trained artist, and his wife Shirli. The couple also undertook the environment design for two major archeological finds within a minute's walking distance of the model – the "broad wall" of the First Temple city and the tower at whose foot the Babylonian arrowheads were found. These sites are part of the same educational programme being offered by Yad Ben-Zvi. Funds for the project were donated by Milton Gottesman of Washington through the Jerusalem Foundation.

"This is not a tourist site but an educational centre," says Elinor Ben-Shaul, its director.

Visitors will be admitted as organized groups and will receive an explanation from a Ben-Zvi guide as they sit on benches around the model. Only about 25 persons can be accommodated at a time. The same number can be accommodated in an adjacent room where there are exhibitions on burial customs, ancient script and other relevant subjects. Persons not in organized groups will be admitted at 12 p.m., 12:30 p.m., 4 p.m. and 4:30 p.m. for lectures on the model at a cost of NIS 3. Slides will accompany the lecture.

Part of the model can be lowered to reveal the water system that served the ancient city including Warren's Shaft and Hezekiah's Tunnel, an engineering marvel of its time.

Ben-Shaul says that school groups and others can choose programmes ranging from the half-hour lecture to three-hour courses. She is considering using drama methods with schoolchildren in order to act out Bible stories set in Jerusalem, such as Jeremiah counselling King Zedekiah to submit to the Babylonians which she describes as "a moral dilemma." The reality of daily life in ancient Jerusalem will be emphasized in the lectures and exhibitions. "How did people think?" says Ben-Shaul. "How did they live? Even if we don't have many answers the important thing is to be able to ask the questions."

For many visitors, from schoolchildren to well-informed adults, the First Temple Model will provide a breakthrough to the past.

Pinhas Eylon, 'Mr. Holon,' dead at 78

By SARAH HONIG
Jerusalem Post Reporter

HOLON.-- Pinhas Eylon, until recently one of the country's most colourful mayors, passed away yesterday at the age of 78.

Eylon was Mr. Holon. For the 36 years he served as mayor of this city before retiring last June, he almost single-handedly turned several Tel Aviv suburbs into the country's fourth largest city.

Due to his tireless efforts and the personal attention he paid to the smallest details, everything connected with the Holon Municipality worked like clockwork. Tel Avivians came to ridicule Holon for its lack of Bohemian sparkle and its middle class predictability. Eylon would reply to these sneering critics that he just didn't "understand what they want from Holon. What's wrong with a place where a man can come home after work, take of his shoes, put on his slippers, and sit peacefully on his balcony sipping his afternoon tea?"



Pinhas Eylon (Cohen)

Eylon took over as chairman of the local council of the new township in 1951 and stayed on as mayor until early this summer when his heart condition forced him to step down. He had become the longest serving mayor in the country. For many years he was also the outspoken head of the Union of Local Authorities.

Born Pinhas Zucker in 1909 to religious parents in Poland, he came to Eretz Yisrael in 1930 and spent his first years here as an agricultural worker. He later worked as a writer for an agricultural periodical and was an early Mapai activist.

Throughout his long tenure Eylon devoted himself to greening the sand dunes on which Holon was constructed; he also paid special attention to the educational system and to the large modern industrial zone, where some 40,000 workers are employed.

Eylon is survived by his wife Miriam and daughter Drora. His son Hagai, a member of the Foreign Service, died several years ago. His body will lie in state at the Holon Municipality from 8:30 this morning. The funeral will take place at the Holon cemetery at 1 p.m.

Public education campaign

Proper use of seatbelts could save your children

By JUDY SIEGEL
Post Science and Health Reporter

The proper use of safety belts and children's car seats could have saved the lives of 90 per cent of the children who died in automobile accidents last year, and could have prevented some 60 per cent of the serious injuries. Eleven children were killed and 790 were injured while riding in cars last year.

The Health Ministry's Department of Public Health and the Road Safety Administration yesterday opened a publicity campaign to educate parents on the importance of providing their children with safety seats and belts. The campaign coincides with the new law requiring drivers and front-seat passengers to wear safety belts for city as well as inter-city driving.

According to Alma Avni, head of the Public Health Department, children in safety seats (up to age four), in modified, belted seats (up to age 8) or restrained by regular seats belts have a much better chance of escaping injury in accidents.

The ministry is considering helping neighbourhood councils buy children's safety seats to be loaned to parents at a fee. But the ministry has not considered legislation, such as that which exists in many U.S. states, that doesn't permit hospitals to release newborn infants unless their parents' vehicles are equipped with the proper safety seat.

The ministry has also asked car seat importers and local manufacturers to lower their prices, and the Industry and Trade Ministry to reduce or eliminate customs charges for imported seats.

An information booklet produced by the ministry and the safety administration includes the following guidelines:

Belt children into safety seats during every car ride.

Infants up to age one, belted in their seats, should face the back of the vehicle rather than the front. It is permissible to put these seats in the front seat of the car, but it is much better to place them in the back seat. (The publicity poster mistakenly shows an infant in the front seat, instead of the back seat.)

Never hold a child in your lap, even if you yourself are belted and sitting in the back seat.

Never restrain more than one child in one seat belt.

Never wrap an infant in a blanket and secure the seat belt over it.

The booklets are available at *tipat halav* stations, from the ministry's department of public health (POB 1176, Jerusalem), and the Road Safety Administration (POB 867, Jerusalem).

'Unjustified' burden on religious communities

Britain decides not to ban ritual slaughter

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON.-- In a move certain to bring a storm of protest from animal welfare campaigners, the government has decided not to outlaw the Jewish and Moslem ritual slaughter of animals.

Groups such as the Royal Society for the Prevention of Cruelty to Animals have been urging the government for several years to ban ritual slaughter, and a 1985 government-sponsored report recommended that it be phased out within three years. But Agriculture Minister John MacGregor has rejected the report's recommendations, noting in a written reply to Parliament that "The religious communities have made clear that elements of their slaughter requirements are fundamental obligations, forming part of their religious law which it is not open to them to alter."

According to British law, all animals killed for meat to be consumed by non-Jews and non-Moslems must first be stunned, but MacGregor observed that the government had to recognize the serious implications for the religious communities if they were no longer allowed to prepare meat as their faiths required.

"We do not believe that we would be justified in imposing such a burden on the communities," he said. The 1985 government-ordered study, by the Farm Animal Welfare Council, concluded that "religious methods of slaughter, even when carried out under ideal conditions, must result in a degree of pain, suffering and distress which does not occur in the properly stunned animal. In the Council's view, humane slaughter can best be ensured when effective stunning is employed."

While animals slaughtered by "shochtim" here are generally consumed only by the Anglo-Jewish community, Moslem slaughterers are believed to supply a thriving export trade to Europe and the Middle East. And while Jewish abattoirs are regarded as hygienic and responsibly maintained, numerous Moslem-run abattoirs have reportedly been found to be operating in contravention of health and hygiene regulations.

MacGregor also rejected another of the report's recommendations, that all meat from ritually slaughtered animals should be labelled as such. This recommendation was made because cuts from the forbidden rear quarters of animals slaughtered for the Jewish community find their way onto the general meat market.



Regular TV and Radio scheduling is suspended due to the strike at the Israel Broadcasting Authority

TELEVISION

EDUCATIONAL TV
8.00 Teletext 8.05 Keep Fit 8.15 School broadcasts 14.00 Teletext 14.05 Contact 14.35 Making Magic 15.00 Family Problems 15.40 Keep Fit 15.55 The Prisoner (part 3) 17.00 A New Evening – live magazine

ISRAEL TV CHANNEL 2
8.30 The Demjanjuk Trial – live broadcast 17.30 Fables of the Green Forest 18.00 Repeat Image – Israeli film 19.30 The Demjanjuk Trial – roundup 20.00 The Forgotten Story – drama series 20.30 Television (part 8) 21.20 Pop 2

JORDAN TV (unofficial)
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Kate and Allie 21.10 Falcon Crest 22.00 News in English 22.20 Tusitala

MIDDLE EAST TV
13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Muppet Babies 15.30 Super Book 16.00 Fraggle Rock 16.30 Afternoon Movie: Joan of Paris 18.00 Happy Days 18.30 Laverne & Shirley 19.00 News 20.00 Magnum P.I. 21.00 Monday Night Football 23.00 700 Club 23.30 Another Life

ARMY
6.05 University on the Air 6.30 Open Your Eyes – songs, information 7.07 "707" 8.00 Good Morning Israel 9.05 In the Morning 10.05 Music 11.05 Right Now 13.05 Hebrew hits 14.05 Daily sounds 15.05 Festival songs 16.05 Four in the Afternoon 17.00 Evening Newsreel 18.05 The Military Supreme Court 19.05 Hebrew songs 20.05 Classical Music Magazine (repeat) 21.00 Mabat – TV newsreel 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 The 24th Hour 00.05 Night Birds – songs, chat

ARMY TWO
19.05 Radio Radio 20.05 Sports Magazine 23.05 All That Jazz

THE VOICE OF PEACE
Regular daily programmes
3.00-6.00 Nightbeat
15.00-16.00 Kassah Programme
18.00-19.30 Twilight Time
19.30-21.00 Classical Music

CINEMA PERFORMANCES

JERUSALEM
Belt Agron: E.T. 4; Life of Brian 6:15; Rumble Fish 8; The Little Drummer Girl 9:30; Talking Heads – Stop Making Sense midnight; **Eden:** Number One With a Bullet 4:30, 7, 9; **Edison:** Beverly Hills Cop II 4:30, 7, 9; **Habira Cinema Empire:** closed for renovations; **Jerusalem Theatre:** Death of a Salesman 7, 9:30; Jean de Florette, 7, 9:30; **Kfir:** No Way Out 4:30, 7, 9:15; **Mitchell:** The Untouchables 7, 9:15; **Orgil:** Full Metal Jacket 4:30, 6:45, 9; **Orion Or 1:** Strike Commando 4:30, 7:15, 9:15; **Orion Or 2:** Hemo, King of Jerusalem 4:30, 7:15, 9:15; **Orion Or 3:** Home of the Brave 7, 11; Wet Gold 4:30, 9; **Orion Or 4:** Don't Give a Damn 4:30, 7, 9; Hemo King of Jerusalem 11 p.m.; **Orion Or 5:** Out of Africa 4:30, 8:30; Over the Top 11 p.m.; **Orna:** The Witches of Eastwick 4:30, 7, 9:15; **Ron:** Extreme Prejudice 4:30, 7, 9; **Semadar:** Kangaroo 7:15, 9:15.

TEL AVIV
Beit Lissin: Late Summer Blues 11.15 p.m; **Ben Yehuda:** No Way Out 4:30, 7, 9:30; **Beth Hatefutsoth:** Tuvia The Milkman 7; **Chen 1:** Full Metal Jacket 5, 7:30, 9:50; **Chen 2:** Burglar 5, 7:35, 9:50; **Chen 3:** Rita, Sue and Bob Too 5, 7:30, 9:50; **Chen 4:** Outrageous Fortune 11, 1, 5, 7:35, 9:50; **Chen 5:** Blind Date 1, 3, 5, 7:30, 9:50; **Cinema One:** Number One With a Bullet 5, 7:15, 9:30; **Cinema Two:** Good Wife 5, 7:15, 9:30; **Dekel:** Black Widow 7:15, 9:30; **Dizengoff 1:** Wish You Were Here 1, 3, 5, 7:30, 9:45; **Dizengoff 2:** The Name of the Rose 11, 1:30, 4:30, 7:15, 9:45; **Dizengoff 3:** A Man In Love 11, 1, 3, 5, 7:30, 9:45; **Drive-In:** Beverly Hills Cop II, 7:15, 9:30; **Esther:** Extreme Prejudice 5, 7:30, 9:40; **Gat:** The Witches of Eastwick 7:30, 9:50; **New Gordon:** 39 at 4:30, 7:30, 9:30; **Haloznos ZOA House** Chronicle of a Love Affair 4:30; 7:15, (exc. Wed.); Don't Give a Damn 9:30 p.m.; **Hod:** Beverly Hills Cop II, 5, 7:15, 9:30; **Israel Cinematheque:** That's Entertainment 7; Last Picture Show 9:30; **Lev 1:** La Famiglia 2, 5, 7:20, 9:50; **Lev 2:** Manner 2, 5, 8, 10; **Lev 3:** Down By Law 7:50, 10; Mean and Dirty 2, 5; **Lev 4:** Hemo, King of Jerusalem 2, 5, 7:50, 9:45; **Lisser Hateleludasi:** No Way Out 4:30, 7, 9:30; 9½ Weeks, midnight; **Mazlon:** Crocodile Dundee 4:30, 7:30, 9:30; **Orly:** Assault 5:30, 8:30; **Paris:** She's Gotta Have It 12, 2, 4, 7:15, 9:30; **Peer:** Whistle Blower 4:30, 7:15, 9:30; **Shahaf:** The Untouchables 4:30, 7, 9:30; **Sivan:** Raising Arizona 5, 7:30, 9:40; **Tamar:** Bullshot 7:30, 9:40; **Tchelet:** The Shop Around the Corner 5, 7:30, 9:45; **Tel Aviv:** The Boss's Wife 5, 7:15, 9:30; **Tel Aviv Museum:** Prick Up Your Ears 4:30, 7:15, 9:30; **Zafon:** Jean de Florette 4:30, 7, 9:30.

HAIFA
Amphitheatre: Robocop 4:30, 7, 9:15; **Atzmon 1:** No Way Out 4:30, 6:45, 9:15; **Atzmon 2:** Lady Beware 4:30, 7, 9:15; **Atzmon 3:** Police Story 4:30, 7, 9:15; **Chen Hamehudash:** Down By Law 4:30, 7, 9:15; **Karen Or Hamehudash:** Hemo, King of Jerusalem 4:30, 7:15, 9:15; **Orah:** Beverly Hills Cop II, 4:30, 7, 9:15; **Orly:** La Famiglia 6:30, 9; **Peer:** The Witches of Eastwick 4:30, 7, 9:15; **Rav-Gat 1:** Full Metal Jacket 4:30, 6:45, 9:15; **Rav-Gat 2:** Raising Arizona 4:30, 6:45, 9:15; **Ron:** The Untouchables 4:30, 7, 9:15; **Shavit:** Jean de Florette 7, 9:15.

RAMAT GAN
Armon: Extreme Prejudice 7:30, 9:45; **Lily:** Outsiders 7:15, 9:30; **Oasis:** Full Metal Jacket 7:20, 9:50; **Orion:** Flodder 7:15, 9:30; **Rav-Gan 1:** The Witches of Eastwick 5, 7:30, 9:50; **Rav-Gan 2:** Outrageous Fortune 5, 7:30, 9:50; **Rav-Gan 3:** Burglar 5, 7:30, 9:50; **Rav-Gan 4:** Rita, Sue and Bob Too 5, 7:30, 9:50.

HERZLIYA
Dan Acadia: Mannequin 7, 9:30; **Daniel Hotel:** Lady Beware 7:15, 9:30; **David:** Flodder 7:15, 9:30 (exc. Thur.); **Hechal:** The Untouchables 4:30, 7, 9:30; **New Tiferet:** Blind Date 7:15, 9:15.

HOLON
Armon Hamehudash: Photo Roman 7:30 9:30; **Migdal:** The Witches of Eastwick 7:30, 9:30; **Savoy:** The Untouchables 4:30, 7, 9:30.

BAT YAM
Atzmaut: The Untouchables 5, 7:15, 9:30.

GIVATAYIM
Hadar: The Untouchables 4:30, 7, 9:30.

RAMAT HASHARON
Kochav: Children of a Lesser God 7, 9:30 p.m.

PETAH TIKVA
G.G. Hechal 1: The Untouchables 4:30, 7:15, 9:30; **G.G. Hechal 2:** Beverly Hills Cop II, 5, 7:15, 9:30; **G.G. Hechal 3:** The Witches of Eastwick 5, 7:15, 9:30.

KIRYAT ONO Community Centre: Bejito The Unemployed 7, 9:15

RISHON LEZION
G.G. Ron 1: Little Shop of Horrors 4:30, 7, 9:30; **G.G. Ron 2:** The Untouchables 4:30, 7, 9:30.

NETANYA
Dor-Hechal Tarbut: Radio Days 7:15, 9:30.

BEERSHEBA
Hechal Hatarbut: Opening shortly.

WHAT'S ON

Notices in this feature are charged at NIS 9.90 per line, including VAT. Insertion every day of the month costs NIS 197.80 per line, including VAT, per month. Rates calculated according to regular newspaper column width.

JERUSALEM
Museums
ISRAEL MUSEUM. Ilan Goor's recent original iron furniture designs. ◊ Photographs, Boaz Tal. Renaissance themes in contemporary context ◊ Justan Ladda, new work expressly for Israel Museum ◊ Israel Art, special exhibitions ◊ Captive Dream, Jerusalem 1967 ◊ Ilias Lalaounis: Golden Memories of the Holy Land (jewelry) ◊ Tradition and Revolution: Jewish Renaissance in Russian Avant-Garde Art (until 31.10) ◊ Emphasis: Arieh Aroch, Michael Gross, Igael Tumarkin ◊ Edomite Shrine ◊ New in Antiquities '87 ◊ **Special Exhibits: Priestly Benediction on Silver Scrolls** ◊ **Negev 1987,** Magdalena Abakanowicz ◊ Woodrous India ◊ Permanent Exhibitions of Archaeology, Heritage, Ethnic Art and Shrine of the Book w/Dead Sea Scrolls. ISRAEL MUSEUM VISITING HOURS: Main Museum 10-5. At 11: Guided tour of Museum (English). 3: Guided tour of Archaeology galleries (English). 3-4: Free workshop. 2-5: Feinstein Recycling Room.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun.-Thur. 10-1; 3:30-6. Fri. closed. Sat. and holiday eves 10-1. Holidays: check with Museum. 2 Hapalmah St., Tel. 661291/2. Bus No. 15.

SKIRBALL MUSEUM of Biblical Archaeology of the Hebrew Union College, 13 King David Street, Tel. 203333. Visiting hours: Sun.-Thur. 10-4; Fri., Sat. and Hol. 10-2.

Conducted Tours
HADASSAH HOSPITAL, Ein Kerem. Chagall Windows—synagogue open 8.00 a.m.-4.00 p.m. Tours, Sun.-Thurs., hourly, on the half hour: 8.30 a.m.-12.30 p.m. Fri. open 9.00 a.m.-12.45 p.m. Tours, hourly on the half hour: 9.30-11.30 a.m. Entrance fee. **Half-day tours of the installations:** Sun., Tue., Thur. Details: 02-416333, 448271.

HEBREW UNIVERSITY English tours daily Sunday through Thursday: 1. Mount Scopus, 11 a.m. from the Bronfman Reception Centre, Administration Building. Buses 9, 28, 4a, 26 & 23 to the first underground stop. 2. Givat Ram Campus, 9 & 11 a.m. from the Sherman Building. Buses 9, 28, & 24. Tel. 882819.

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – 8 Alkalai Street, Jerusalem. Tel. 02-699222.

TEL AVIV
Museums
TEL AVIV MUSEUM. Exhibitions: Treasures of the Bible Lands. ◊ New Bezalel 1935-55 VISITING HOURS: (Museum and Pavilion): Sun.-Thur. 10 a.m.-8 p.m.; Fri. 10 a.m.-2 p.m.; Sat. 10 a.m.-2 p.m.; 7-10 p.m. **Helena Rubinstein Museum:** closed for renovations.

Conducted Tours
AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – Tel Aviv, Tel. 220187, 233154.
WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 388817.
OBT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 396171, 233231, 240529; Netanya 33744.
NA'AMAT. (P.W). Visit our projects. Tel Aviv, 210791, Jerusalem 244878.

HAIFA
Museums
HAIFA MUSEUM, 26 Shabbetai Levy St. Tel. 523255. Exhibitions: **Music and Ethnology;** The Art of Porcelain. **Modern Art**—Prints from the Atelier Mourlot, Paris; **Ancient Art**— Egyptian textiles, terracotta figurines, Shikmona finds; Oriental Art. Sun.-Thur. & Sat. 10-1, Tue. & Sat. also 4-7. **Ticket includes admission to Nat. Maritime, Prehistory & Japan Museums.**

What's ON IN HAIFA, dial 04-640



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David Shannon

Can Nations Set Aside Their Parochialism in Time?

By CLYDE H. FARNSWORTH

WASHINGTON

IN placing their money, modern investors leapfrog national frontiers. From Tokyo to London to New York, bankers shift billions daily at the shiver of a Eurodollar rate or the flick of an arbitrager's computer keys. Today the sun may set on the British Empire, but never on the pulsing financial markets.

But while the marketplace is global, political constituencies end at the borders of the nation state. So it is that because of domestic political needs and conflicts, the Administration and Congress have delayed coming to grips with the budget deficits and overconsumption that have made the United States a debtor nation. And West Germany and Japan, because of their constituents' fear of inflation and urge to save, have put off measures to spur consumption, which would provide new fuel for the world economy.

These nationalistic concerns, analysts say, set the stage for the collapse Oct. 19 in stock markets worldwide. Now, threatened with global cataclysm, the nations seem to be making concessions. [A sampling of editorial reaction around the world, Page 4.]

Since the United States, Japan and West Germany produce half the world's output, many analysts say that only their Governments have a chance of steering the world economy out of the shoals. Though their cooperation has expanded in the last two years, these economic superpowers still resist yielding up enough of their sovereignty to pull together. In fact, each nation finds it sufficiently difficult just to get its own internal partisan forces pointing in the same general direction.

"With these tensions between the global character of private markets and the parochial character of political geography, we could wake up one morning and find a situation out of control," warned Howard M. Wachtel, an economics professor at American University.

Giving Ground on Old Positions

The governments, which seem to be more skilled at managing crises than avoiding them, are trying to restore market confidence on several fronts:

- President Reagan, noting that "it is time to put aside partisan rivalries and work together for our nation's future," eased his flat opposition to any new taxes and ordered negotiations with the Congressional leadership, in hopes of reassuring the markets with a multiyear deficit-reduction compromise. But Mr. Reagan quickly returned to partisan criticism of Congress, and on Friday, amid a blizzard of harshly partisan rhetoric, the Democratic-controlled House approved $12 billion in tax increases.
- Saying that passage of protectionist trade legislation would cause "rampant panic" in the markets, the outgoing Labor Secretary, William E. Brock 3d, urged Congress last week to abandon the trade bills now before a conference committee.
- Waving an olive branch in Bonn, West German President Richard von Weizsacker said that with economic globalization, "no one can stick all too doggedly to one's own traditions, to one's inherited fears. We Germans cannot do so either." He was alluding to Bonn's visceral fear of inflation, brought on by memories of the hyperinflation of the Weimar Republic, a factor in the rise of Adolf Hitler.
- A new government in Japan under Prime Minister-designate Noboru Takeshita is promising to stimulate demand.
- A few weeks ago interest rates were rising because of curbs on money supply growth, fueling inflation fears. Now they are gently falling because new funds are being pumped into banking systems in the United States and West Germany. Because the plunge of stock market prices subtracted so much money from the world economy, the new money in the banking systems is not considered inflationary.
- The Reagan Administration, changing an eight-month-old policy, is allowing the dollar to slide a notch or two; this is now seen as the only way, outside of a recession, to reduce the huge American trade deficit. It also means higher profits for American companies that export, which has encouraged the stock market, though it will hurt the export-dependent economies of West Germany and Japan.
- Instead of scolding one another publicly over who should do what for the world economy, finance ministers and central bank governors are now in "very close" contact, Gerhard Stoltenberg, the West German Finance Minister, said last week.

It is still an open question what all this will eventually mean for the markets and for the world economy. Some warn that cooperation may not necessarily be in American interests. To support the dollar, as Bonn and Tokyo demanded, the United States had raised interest rates; free marketeers say that was a mistake because it threatened to stifle growth. "I think the dollar should be allowed to decline as far and as fast as it will," Herbert Stein, President Nixon's chief economist, told Congress last week. But Treasury Secretary James A. Baker 3d, seeking new concessions from Bonn and Tokyo, upholds the need for stable dollar rates against other key currencies.

Yasuhiro Nakasone, Prime Minister of Japan, Edouard Balladur, France's Finance Minister, and some American officials suggested last week that a new round of consultations among the seven leading industrial nations would give new impetus to cooperation. But others said each government first had to decide where it wanted to go.

"The starting gun has been fired in a race between economic reality and political immobility," said Stephen Marris, an economist at the Institute for International Economics in Washington. "How long it takes to do what needs to be done will determine whether we have a mild slowdown, or a really serious recession."

Now That He's Coming, Who Is He?

Gorbachev's Style Veils His Substance

By DAVID K. SHIPLER

WASHINGTON

WITH last week's announcement that Mikhail S. Gorbachev will be coming to Washington Dec. 7 for a summit meeting with President Reagan, Americans are promised a closer look at one of the world's most provocative figures.

The summit arrangement came as a reversal of sorts, exactly a week after Mr. Gorbachev told Secretary of State George P. Shultz in Moscow that he did not feel comfortable setting a date as long as the Reagan Administration refused to compromise on its "Star Wars" space-based defense system. Another Soviet leader might have felt obliged to stick to that negative position, but not Mr. Gorbachev.

He has disturbed and fascinated the West practically since the moment he took the reins of Soviet power in March 1985. With an irreverence for precedent and an agility uncommon in Soviet leaders, he has disrupted old assumptions about Soviet impulses, forced reappraisals of Soviet purposes and rendered less predictable the course of East-West competition.

Some Western officials and analysts see him as little more than a clever public relations man, and many are skeptical about his ability to make durable changes in the conservative Soviet system. His recent vacillation on setting a summit date also earned him reprimands in the United States for seeming rash and mercurial, unwelcome characteristics in an adversary of his dimensions. But this American fixation on his style runs the risk of diverting attention from his substance. Domestically, his efforts toward what he calls "glasnost" (openness) and "perestroika" (restructuring) already appear to have set new forces in motion in the economy, the press, the dynamics of Communist Party politics, film, literature, music and the teaching of history. To mark the 70th anniversary of the Bolshevik Revolution this week, he is to give a major address on history, possibly rehabilitating Soviet revolutionaries purged by Stalin and obliterated from textbooks.

Externally, Mr. Gorbachev has stated his abhorrence of nuclear weapons and his readiness to reduce them, he has compromised deeply in arms control to defuse tensions with the United States and he has begun to abandon some of the old policy reflexes that have governed Soviet positions in the Middle East, the Far East and elsewhere. "Potentially, he's one of the truly historic figures of the 20th century," said Stephen F. Cohen, professor of Soviet politics and history at Princeton University. "It may be that even if he doesn't succeed in the end, the reforms are going to start a turnaround in that system. His ideas about how we ought to conduct our affairs in a nuclear age are far safer and more sane than his predecessors'. We ought to welcome that and stop fussing so much about Gorbachev's dazzling syle." Mr. Cohen and other analysts feel he has defied his national security elite's policy assumptions by advocating an abolition of nuclear arms. "He has a kind of peacenik attitude toward nuclear weapons," Mr. Cohen said. "Now, you can say he's manipulating the issue to breed pacifist attitudes in Europe, to breed pacifist attitudes in America. Yet he's done this at some risk at home, where generals have accused some writers of breeding pacifist attitudes among Soviet youth."



Associated Press

President Reagan and Soviet Foreign Minister Eduard A. Shevardnadze in a cheerful mood at the White House.

'Stepping on Too Many Toes'

Furthermore, Mr. Gorbachev seems to need some substantive achievements in arms control to justify his concessions, according to American analysts who have talked to members of the Communist Party's Central Committee. There is some grumbling about his giving more than he is getting, about his failing to produce tangible results, either in the economy or in international affairs. This surfaced last week in reports of criticism of Mr. Gorbachev's leadership during the Central Committee's plenum just before Mr. Shultz arrived in Moscow. American scholars are divided over Mr. Gorbachev's political strengths, and last spring, in testimony on Capitol Hill, a few predicted his downfall. "He's moving so fast, he's stepping on so many toes, that he himself worries whether or not he'll be able to pursue it," said Marshall I. Goldman, a specialist in Soviet economics at Wellesley College and associate director of Harvard's Russian Research Center. "My own prediction is that he won't last four years." The pessimism was shared by Peter Reddaway, a specialist on Soviet dissent at the Kennan Institute for Advanced Russian Studies in Washington. "I think that it is extremely possible that if Mr. Gorbachev continues with his present policies, he will be removed within the next two or three years," Mr. Reddaway said.

Others scoff at such dire forecasts. "It seems to me he has had one of the great, classical consolidations of power in Soviet history," said Jerry Hough, a leading Sovietologist at Duke University and the Brookings Institution. "I think Gorbachev is as strong as Stalin was in 1927-28." More significant is the conviction among some that the Gorbachev phenomenon is broader than the man, that it derives less from his personal preferences than from deep currents of generational change, economic anxiety and worry that the Soviet Union may enter the 21st century as a weakened giant, devoid of the technological vitality that propels the West into an increasing lead. Mr. Gorbachev is the product of these forces and concerns, not their creator. And while he has shown skill, even courage, in moving quickly against many of the deadening taboos in his society, he has done so with the support of a cadre of economists and party officials who were quietly advocating many of the same reforms in 1967 and 1977 that they are in 1987. "Perestroika was born in the 1950's and 1960's," Professor Cohen observed, "and was essentially the opposition program in the Communist Party and finally found a leader."

This makes Mikhail Gorbachev both a formidable rival and a potential partner in reshaping the Soviet-American relationship.

Judge Ginsburg

A Nominee With a Short 'Paper Trail'

By LINDA GREENHOUSE

WASHINGTON

PRESIDENT Reagan's last-minute selection of Judge Douglas H. Ginsburg for the United States Supreme Court left combatants in the long battle over Judge Robert H. Bork scrambling to learn new lines. The difference between the two nominees virtually guarantees a different dynamic to the confirmation process. Whether it will also lead to a different outcome is a question that in the highly charged atmosphere following the Senate's rejection of Judge Bork few people were willing late last week to even try to answer.

For years, Judge Bork had been a larger-than-life figure on the legal landscape, and his nomination stirred deep passions on left and right. Judge Ginsburg, who at age 41 is 19 years younger than Judge Bork, is relatively unknown outside some academic circles and the Reagan Administration, which he has served in three policy-making jobs.

During nearly four months of debate over Judge Bork, it became almost a reflex for his supporters to invoke his long and distinguished résumé, as well as the fact that he won the American Bar Association's highest rating when he was named to the Federal appeals court here. They demanded to know how anyone could look at that lifetime of accomplishment in the law and call Judge Bork unfit for the Supreme Court.

But Judge Ginsburg joined the court on which Judge Bork sits just over a year ago, and his minimally qualified rating from the American Bar Association reflected his lack of experience. As a former Supreme Court law clerk and Harvard Law School professor, he is obviously an "able lawyer," in the words of Senator Strom Thurmond of South Carolina, the Judiciary Committee's ranking Republican. But his youth, his limited experience, the bar association rating, and a short list of scholarly publications dealing almost entirely with commercial and regulatory subjects combine to deprive Administration supporters of the superlatives they used for Judge Bork.

But the same limited record handicaps senators who

Continued on page 4

Foreign Editorials Assign Blame

Wall Street's Agony: The View From Afar

While the upsetting news from Wall Street battered world stock markets from London to Tokyo last week, the editorial thinkers of major newspapers vigorously assigned blame and prescribed cures. Excerpts follow from a sampling of written and pictorial comment in 11 countries.

Tokyo

The world economy is on the edge of a precipice. Advanced countries, including the United States, must immediately cooperate to take measures to end the crisis. Distrust of the U.S. economy stems from distrust of Washington's economic policy. The U.S. Government is just not making serious efforts to reduce the staggering budget deficit and the trade deficit. The United States has become a debtor nation, and its debt is snowballing....

The United States needs also to bolster the international competitiveness of U.S. industry....

Most certainly, Japan and West Germany must share responsibility and continue to lead their interest rates lower for the time being.... [But] the United States must realize that success or failure in averting another Great Depression depends on what action it will now take.

Yomiuri Shimbun

São Paulo

The brutal drop of the New York Stock Exchange augurs difficult times for the world economy in the coming months.

Such a drastic loss of value of stocks is proof that the North American economy is experiencing such a state of fragility that it can no longer go without dramatic internal adjustments.

Given the weight and strategic importance of the United States in the world economy, we can expect international repercussions, including for Brazil, which is tied with an umbilical cord to the performance of the rich countries.

Folha de Sao Paulo

Hong Kong

For seven years, Mr. Reagan has been steadfastly against a fundamental compromise of his belief that by sheer exuberance the U.S. can be rich, strong and contented, oblivious of the real costs. Unless Mr. Reagan addresses the deficit question soon, his jolly tenure may enter history with a terrible legacy for his successor, be he a Republican or a Democrat. Today the basically buoyant American economy is living on heavy borrowing, which shall have to be repaid.

South China Morning Post

Singapore

The answer to America's economic woes is pretty obvious — raise taxes as a step to balance the budget. Even the most committed of ideologues cannot but wake up to this inevitability. Mr. Reagan cannot possibly still believe that decreasing taxes will bring in more revenue via increased economic activity. This has just not happened.

Straits Times

Frankfurt

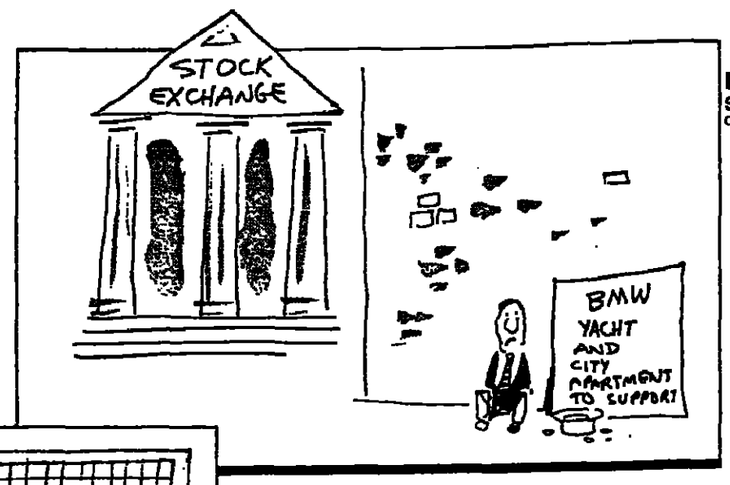
A mere compromise over a deficit reduction of $23 billion for the budget of 1987-88 can only calm the financial markets for a short period.... At least a middle-term policy must be established that will reach through the fall of next year, independent of who is elected President. These days there is a lot of talk about the need for the President to show leadership. That goes for Congress too: it has the jurisdiction over the budget. It must use it.

Frankfurter Allgemeine Zeitung

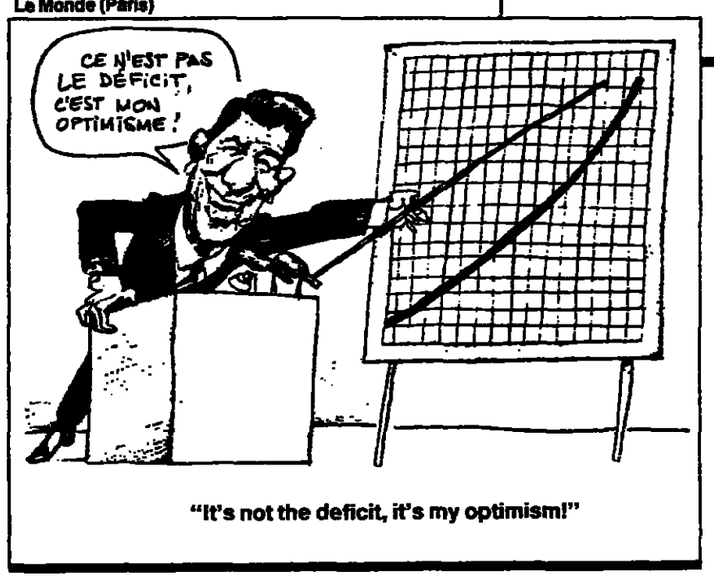
Zurich

As long as Reagan evidences no qualities of an economist nor of a statesman, one will justifiably not expect any American iniative to defuse the time bomb that has been ticking away for years, until after 1989 when a new gentleman sits in the White House. Completely apart from this political influence, the uncertainty of business trends has increased sharply in the wake of the stock market crash; it will take months before one can see to what degree the global destruction of hundreds of millions in potential buying power will paralyze economic development.

Neue Zürcher Zeitung

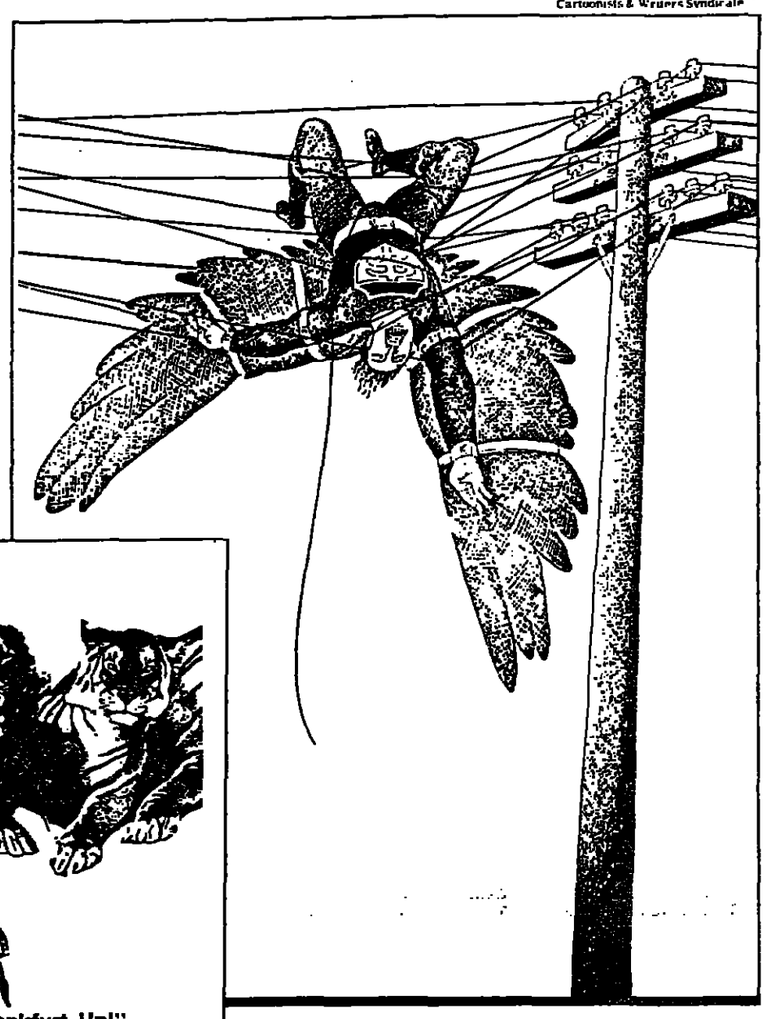


Moir
Sydney Morning Herald
Cartoonists & Writers Syndicate



Pancho
Le Monde (Paris)

"It's not the deficit, it's my optimism!"



Naranjo
El Universal (Mexico City)
Cartoonists & Writers Syndicate



THE WALL STREET CIRCUS "Good, Tokyo! Frankfurt, Up!"

Bucchi
La Repubblica (Rome)
Cartoonists & Writers Syndicate

Paris

Ronald Reagan, accused from all sides of being responsible for the worsening budgetary impasse — which, along with the United States' current account deficit, is the main element of the world's economic imbalances — has been led to open the door halfway to an eventual tax increase, a door that he had until now kept carefully closed....

After continuously declaring himself in favor of tax reductions, such a change of mind will be very painful for the President. Refusing any kind of self-criticism, he has not made a secret of his preferences: higher taxes on services rather than increasing income taxes which he always said would harm the economy.

In any case, Ronald Reagan, by accepting a meeting with Congress on that subject, acknowledged that all the economists' analyses were well-founded: the explosive combination of the American internal and external deficits calls for fast, strong-willed action.... The end of six years of the dialogue of the deaf between the White House and Congress on the budgetary problem was well worth saluting... There is one other lesson: promises and overtures will no longer suffice. Stock traders want action.

Le Monde

London

Unless his statement acknowledging the gravity of the situation is a harbinger of better things to come, the only charitable description of President Reagan's performance over the last week is that it has amply demonstrated his known limitations. Once the beneficiary of favorable circumstances, he appears to lack the capacity to handle adversity. .. There is, sadly, a fundamental inability at the top to grasp complex issues, not seen at a Presidential level since Herbert Hoover....

What is needed is a realization in the U.S. capital that neither the nation nor the world can wait until a new President is installed for a coherent set of policies to emerge.... Gramm-Rudman, for all its deficiencies, at least provides a starting point. This year's target must be met as a minimum, if government is not to cede policy-making to the markets entirely. Equally important is the recognition that a managed decline in the value of the dollar, far from demonstrating a failure of national virility, may be the least of present evils. It might also be, given the present state of affairs in Washington, the softest political option.

Financial Times

Rome

Since the stock market is ever more ... metaphor of freedom in financial garb, October's catastrophe opens the way to more than a simple economic contraction. The crash is the prelude to the redimensioning of that freedom, it promises the advent of another phase in the cycle of American history. Today all signs indicate that 1987's Black Monday will bring an end to deregulation and the return to the age of public monitoring and regulations. And the wild excesses of today's Wall Street, abandoned to itself by political power, will again become a more reasonable stock market game.

And it is even amusing to observe how the boom of Reagan prosperity will not turn into another depression thanks not to the self-balancing virtues of the market, which today are totally absent, but rather thanks to the social and banking safety belts set up by Franklin Roosevelt. If people still are not questioning whether banks will fail, and they don't run to collect their savings, it is because the state, through the Federal Reserve, is ready to intervene. It is in fact Roosevelt's ghost which will save America from the risks of Reagan's experiment.

La Repubblica

Communists Dominate the Rural Areas

Tense Manila Debates How Best to Fight the Rebels

By BERNARD E. TRAINOR

WASHINGTON

WHETHER the gunmen who killed three American servicemen and a Filipino businessman near Clark Air Base in the Philippines last week were Communists is not certain. An anonymous caller claimed responsibility for the Communists' Alex Boncayo Brigade. American and Philippine authorities said the ambush followed the pattern of assassinations by Communists, but it was still possible that a right-wing group had killed the Americans, hoping the Communists would be blamed.

The assassinations can be expected to fuel tensions in the Philippine Government and its disgruntled army over how to fight the guerrillas. The Communists are entrenched in the countryside, where they are believed to control 20 percent of the villages. They have also infiltrated unions, schools and other urban institutions, but experts say the countryside remains their principal target. According to Maoist doctrine, when the revolution dominates in rural areas, the cities eventually fall.

The Communists' New Peoples Army is a tightly controlled force of about 12,000, supported by 12,000 militiamen who provide intelligence, refuge, food and couriers. They face 30,000 of the Government's 115,000 regular and paramilitary forces, but these units are spread out and relatively inactive. Military officers complain that President Corazon C. Aquino views the insurgency as "an army problem." Col. Homer Capulong, who heads the principal army training center, said: "It is not a military problem. It is a societal problem, and depending upon the army to solve it will only make matters worse." Frustrated officers and many foreign observers say that unless the Government develops a coherent national plan, combining political, economic and military measures, Communist strength will continue to grow. The army has been accused of making convenient excuses for military inactivity. However, most officers have studied revolutionary warfare at home and in the United States. Gen. Fidel Ramos, the Chief of Staff, is a 1950 graduate of West Point, where several Filipinos are cadets each year. About 200 officers attend graduate classes in the United States.

Many officers see similarities now to the beginnings of the Vietcong insurgency in South Vietnam. "The Saigon Government failed to realize that fundamental changes in rural life were essential to success against the Communists," said a retired Philippine general and Aquino Government adviser. "The Government placed its trust in weapons and failed, while the Vietcong placed theirs in the people and won. We must not make the same mistake." Many Philippine officers agree with the Communists that the allegiance of the "barangays," or villages, is the real prize. Guerrilla activity is troublesome and the army should fight it more aggressively, they say, but the guerrillas are not central now. The Communists, they say, are careful to use persuasion and social pressure, rather than intimidation and terror in the villages. This must be countered by economic and political changes to persuade villagers that the Government, not the Communists, will help them. "It is foolish to send the army to protect people who don't feel threatened," an army major said. He added that only when the peasants believe in the Government and reject the Communists will the army be needed to protect them "by hunting down" the rebels.



Magnum/James Nachtwey

While theoretical knowledge of insurgencies seems widespread, there is little evidence that it is being put to use. A reluctance to vigorously track down the guerrillas was evident on a recent visit to rural villages in Luzon and Mindanao. Villagers in these widely separated islands said army patrol schedules were known well in advance, allowing guerrillas time to hide. "The soldiers are afraid to meet the N.P.A.," a farmer said, using the guerrilla force's initials.

Accumulated grievances and coup rumors have virtually paralyzed counterinsurgency operations. The army is crippled by lack of training and severe shortages, from boots to spare parts. Morale is low except in elite marine and ranger units. Officers accuse the Government of ignoring army needs, contending that Mrs. Aquino's amnesty program and her attempt to obtain a cease-fire show she is "soft" on the Communists. Widespread bitterness is reflected in sympathy for Col. Gregorio Honasan, who led a coup attempt in August and is still at large.

Richard G. Stillwell, a former Deputy Undersecretary of Defense, is pessimistic. "Unless and until trends can be changed," he added, using the Communist Party's initials, "it is predictable that the C.P.P. will readily increase its control of the rural areas while concurrently infiltrating and destabilizing the urban areas, with Manila as the ultimate target." To reverse that, he said, Mrs. Aquino must make defeat of the insurgency the "No. 1 national priority," and the United States must develop a "responsive" assistance program.

Arts & Leisure

'Cry Freedom': Film Is the Weapon, Apartheid the Target

By JOHN F. BURNS

It was springtime in Pretoria, the South African capital, a time when the city is ablaze with the purple of jacaranda trees, the air on the highveld clear and crisp. But in the somber, wood-paneled office of the Prime Minister, Balthazar Johannes Vorster, it was the onset of another, more bitter kind of season. Five days earlier, on Sept. 12, 1977, Stephen Biko had died of brain injuries, face down and foaming at the mouth, on the floor of Pretoria Central Prison. He was 30 years old and the most talented young black leader in South Africa. Outrage flared around the world, but Mr. Vorster — in an interview with Seymour Topping, then the managing editor of The New York Times, and with this correspondent, at that time the bureau chief for the newspaper in Johannesburg — took what comfort he could from what he called "a very, very unfortunate affair."

Pointing across the city from the Government seat in the Union Buildings toward the prison, the Prime Minister challenged us to walk the streets, to stop the first people we met, black and white, and to ask them what they knew of Mr. Biko. "Before he died, I don't think that one out of 100 knew who he was," he said. "All of a sudden, he's the biggest black leader in South Africa."

Mr. Vorster knew that the principal reason why Mr. Biko was not better known was that the Government had "banned" him, forbidding newspapers to quote him. But the Prime Minister, a coldly practical man, was not wholly wrong. As the founder and prime mover of the Black Consciousness Movement, Mr. Biko was a hero among radical young blacks. But he was less well known in many black townships than the rock groups playing in the illicit taverns known as shebeens.

Mr. Vorster has been dead since 1983. But beginning with the premiere Friday of "Cry Freedom," Sir Richard Attenborough's film biography of Mr. Biko and of his friendship with Donald Woods, the white editor who championed the black leader before and after his death, the chances are better than ever that people far from Pretoria who have never heard of John Vorster will know and remember Stephen Biko.

The $21 million Attenborough production was shot in Zimbabwe and Kenya last year with two American actors, Denzel Washington playing Mr. Biko, whose movement sought to instill in blacks a sense of self-confidence denied them by the humiliations of apartheid, and Kevin Kline in the role of Mr. Woods. The film is a painstakingly researched chronicle of the events between 1975 and 1978. It was then that Mr. Woods — as editor of The Daily Dispatch, a small-circulation newspaper in East London, 40 miles from Mr. Biko's hometown of Kingwilliamstown — migrated from a position of hostility toward "some sensationalist pushing black prejudice," as the Woods character describes Mr. Biko in one of the film's early sequences, to one of admiration for the black consciousness philosophy, and friendship, even love, for its principal advocate.

But the film is more than a dramatic reconstruction of that friendship, of Mr. Woods's radicalization as he is introduced to the privations of the townships and to the brutal menace of the Security Police, or of Mr. Biko's murder and Mr. Woods's subsequent escape into exile dressed as a priest. It is, Sir Richard said during a recent visit to New York, an exercise in what he described as "propaganda," a 2½-hour drama that works to radicalize its audiences and to send them out of the theaters determined to press for stronger international action against South Africa.

A Timely Venture

For those who believe that economic sanctions and divestment can hasten the end of apartheid, the film comes at an important juncture. Censorship has drastically reduced the flow of information about what Mr. Vorster, in another of my encounters with him, described as "the derogatory aspects" of South African society. It is one of the few successes that the Pretoria Government has been able to claim in recent years, and opponents of the racial system outside South Africa are worried that the world's attention may falter.

■

At his hotel on Park Avenue, Sir Richard, who produced and directed the film, spoke candidly about his hopes for its impact. "Through Biko, I wanted to show what life in South Africa means to blacks, and in certain circumstances what it means to whites," the 63-year-old film maker said. "My objective was straightforward — to insure that having seen the movie, nobody will be able to remain indifferent to the situation in South Africa, and to encourage them to stand up and say, 'This is intolerable!' "

For the director, tackling South Africa has been a gamble. For one thing, the most powerful of his previous films, notably the hugely successful "Gandhi," have dealt with history and with heroes — or antiheroes — whose places in history are fixed. With "Cry Freedom," he has stepped into an ongoing crisis and taken as his focus a figure, Mr. Biko, who was in many ways ambiguous, and who in any case died too soon to have had any decisive influence on his country's future.

It remains to be seen whether Universal Pictures, which contributed 82 percent of the film's financing (the balance, nearly $4 million, came from the Government of Zimbabwe), will reap rewards on anything like the scale of "Gandhi," which has taken nearly $100 million in box-office and video sales. Sir Richard is hoping that box-office success will attract backers for his next project, a film on Thomas Paine; in the meantime, he will spend the next seven months on a world tour promoting "Cry Freedom."

For any film maker, capturing the complexities of South Africa, and succeeding dramatically at the same time, is a major challenge. In the case of "Cry Freedom," the film addresses a central problem — the fact that Mr. Biko was relatively unknown outside the country — with a shift of focus. The climactic moments, Mr. Biko's death and funeral, occur when the film is barely halfway through, leaving much of the remaining action to the banning of Mr. Woods and his escape to Lesotho on New Year's Eve 1977.

To anybody who knew Mr. Woods in South Africa, there was no doubting his courage. As a journalist, he mocked the ruling Afrikaners and their system with temerity; his weekly, nationally-syndicated column was the stuff of celebration wherever opponents of apartheid gathered. Nor did he hesitate, as his campaign for the prosecution of Mr. Biko's killers demonstrated, to step out of the role of critic and into that of a political activist when his moral scruples required.

Two Ordeals

Whether his ordeal belongs on a par with that of Mr. Biko is another matter. But to Sir Richard, the division of attention between the two men was a natural choice, given the need to be commercially successful and the parallel requirement, if the production was to have a major political impact, to go beyond "the purely black-oriented subject" of Mr. Biko and his beliefs to a wider audience in countries that are best positioned to confront South Africa economically, an audiences that is predominantly white.

■

"In the end, because he had such a short life, there was very little dramatic that happened to Steve, apart from his death," Sir Richard said. "Nor was he even very well known, at least outside South Africa." Accordingly, the "Gandhi team" that put together "Cry Freedom" — mainly Sir Richard and John Briley, the American screenwriter whose work on "Gandhi" won him an Oscar for best screenplay in 1983 — decided that the Woods escape, complete with a nerve-racking hitchhike in a police paddy wagon and an abortive attempt to ford a swollen river — would strengthen the film at the box office.

Looking back, Sir Richard says now that he was primed to make a film about South Africa from an early age, when his father, principal of University College, London, led family discussions of the racial issue. Much later, his interest was heightened by the research required for "Gandhi," which begins with the Mahatma's years as a lawyer in Natal.

In 1982, Mr. Woods, looking for a film vehicle for the Biko story, sent his book on the subject, and his autobiography, to Sir Richard, prompting the film maker to make a private journey in 1983 to South Africa with his wife, Lady Sheila. The visit provided much of the material that gives coloring to "Cry Freedom."

Sir Richard described his attitudes before the visit as typical of the "well-intentioned liberal" — avoiding the purchase of South African oranges, for example, and hoping that incremental pressures would prompt the Afrikaners to reform. But that was before a trip to see Winnie Mandela in a squalid township outside Bloemfontein, before a report on the state-controlled television network described him as a Communist and before he was menaced in the washroom of a gas station by angry young Afrikaners who had heard the broadcast.

Old Memories

Careful observation is an Attenborough trademark, and when the opening credits of "Cry Freedom" roll over a scene of the Crossroads shanty town outside Cape Town, filmed on location outside the Zimbabwe capital, Harare, I was rapt. It was an account of life in Crossroads that led to an order for my expulsion from South Africa — later rescinded — in 1978. As the screen showed police with water cannons and dogs and Land Rovers raiding the camp on a smoky spring morning in 1975, I felt as though I was watching an eerie rerun. Others obviously feel the same. A group of South African blacks watching with me in a Broadway screening room frequently applauded the screen.

Sequences dealing with Mr. Biko's confrontations with the Security Police were uncomfortably familiar to those who had been through the process themselves, as they were, in a less menacing fashion, to me. In the rage of a police captain confronted with an uncowed Mr. Biko, in the lower ranks' silver shirts and loose tie-knots, in the sense that all operations operate on the margins of civilization and law, I was brought back to a realm of unpleasantness that I had repressed from memory.

Much of what Mr. Biko says in the film is taken directly from Mr. Woods's records of his conversations with the black leader or from testimony in a terrorism trial at which Mr. Biko was a witness. And yet, on the basis of my own experience of Mr. Biko, an afternoon in Kingwilliamstown a few weeks before his final arrest, I couldn't help feeling that something important was missing — a sense of a much harder man beneath the surface of our encounter, a leader obliged for the time being to be more forbearing toward whites than he felt.

Meeting a Villain

It was this sense, expressed in a Times article on the weekend after Mr. Biko died, that led to a revealing encounter with one of the villains of the film, Police and Justice Minister James T. Kruger. Mr. Kruger, who wrote his own epitaph on the day after the death when he told a gathering of white supporters that "Biko's death leaves me cold" and when he laughed with a delegate who congratulated him for granting the black leader his "democratic right to starve himself to death," summoned me a day or two later to his office in Pretoria.

The Justice Minister thanked me for coming, poured a cup of tea, and told me that since I had "told the truth about Biko" — by implying that he was not as tolerant as some opposition newspapers in South Africa were claiming — he would reward me by revealing the "real truth" about how the black leader died. He acknowledged that Mr. Biko had died of head injuries, not from a hunger strike, as his own initial statements had suggested. Then he walked to the wall and banged his forehead against it. "It was like this," he said. "He injured himself only because he wanted to embarrass us."

The quality on display that day — a man not so much sinister as credulous, less the master of the Security Police than its servant — is captured in the film in a passage that takes Mr. Woods to Pretoria for a Saturday afternoon chat at Mr. Kruger's Cape Dutch home. The Justice Minister, hospitable and avuncular, assures the editor that he has no place for "thugs" in the Security Police, that he dislikes banning people ("Hell, man, I'm a lawyer") and that he understands the necessity of finding ways "to live together" with blacks.

With this attention to authenticity, one of the director's choices seems all the more odd. To wrench the audience back to what Mr. Woods, safely in Lesotho, has left behind, the film plunges back, at the end, to Soweto on June 6, 1976, the day that police opened fire on a crowd of schoolchildren protesting mandatory Afrikaans instruction in black schools, setting off a year of disturbances in which at least 600 blacks died. The film shows rows of white policemen with automatic rifles, a brief warning to disperse, then a massacre, with policemen chasing blacks alleyways and shooting to kill.

The reality was much more banal — and more complex. Many of the officers on that dusty Soweto hillside were blacks, and on the first day, though not later, there was little random killing. The best that can be said for the way "Cry Freedom" has presented it is that events that were spread out over days, or weeks, have been compressed. Mr. Woods, interviewed in Beverly Hills during a promotional tour, acknowledged that the Soweto scene had been filmed with cinematic license but said that the limits of the medium justified it.

To have had blacks firing at blacks, he said, would have been "too confusing," unless the film had taken time to explain how blacks, as well as whites, have been caught up in defending the apartheid system. It is a judgment that seems certain to attract the attention of the Pretoria Government, which is likely to take every opportunity to undermine the credibility of what, in the military terminology much favored among the ruling Afrikaners, is likely to be taken as a major "onslaught" in the propaganda war over apartheid.



Director Sir Richard Attenborough with Denzel Washington, who portrays the black leader Stephen Biko.

The film misses another opportunity to illuminate the complexities of South Africa when it implies that Mr. Woods's success in getting illicit photographs at the mortuary was what revealed that Mr. Biko had died of brain injuries; in fact, it was a Government rule permitting a pathologist representing the family to attend the post-mortem. Such paradoxes are common in a system built by people who have never been able to resolve the tension between their claims to democracy, as manifested by a parliamentary system and an independent judiciary, and a vow never to surrender power to the majority.

The film also skims over what, to many witnessing the events of 1977 at first hand, seemed like the heart of the affair. Virtually nothing is seen of the three-week period of detention and interrogation before Mr. Biko's death, and nothing but the verdict — an exoneration of the Security Police — from the inquest that followed. Instead, there is a moving depiction of the funeral outside Kingwilliamstown, a day etched in memory for its high sun, its angry speeches and the mournful discordance of the poignant black nationalist anthem, "Nkosi Sikelel' I Afrika," "God Bless Africa."

The inquest, and what it revealed of the callousness of Mr. Biko's interrogators, has been replayed in television docudramas and in the live theater, on Broadway among other places. But according to Sir Richard, the decision to eliminate both came less from a desire to avoid repetition than from a compulsion for authenticity. "There's just so much we didn't know, that re-creating it would expose us to charges of falsification," he said. He added, "Besides, the actual details of his death are almost irrelevant, in the sense that if you get too involved in them, you trivialize the monstrousness of what happened."

As the film ends, a list appears on the screen of all those who have died in detention in South Africa in the last 25 years. It is an effective device, showing Mr. Biko's name 45th on a roll of more than 80, each of them listed with the official cause of death — "slipped in shower," "suicide by hanging," "shot while escaping" and so on. The last entry is for March 26, 1987, a reminder of how much in South Africa stays the same, despite a decade of "reform" pledges from the Government, among them vows to apply stricter disciplines to the operations of the Security Police.

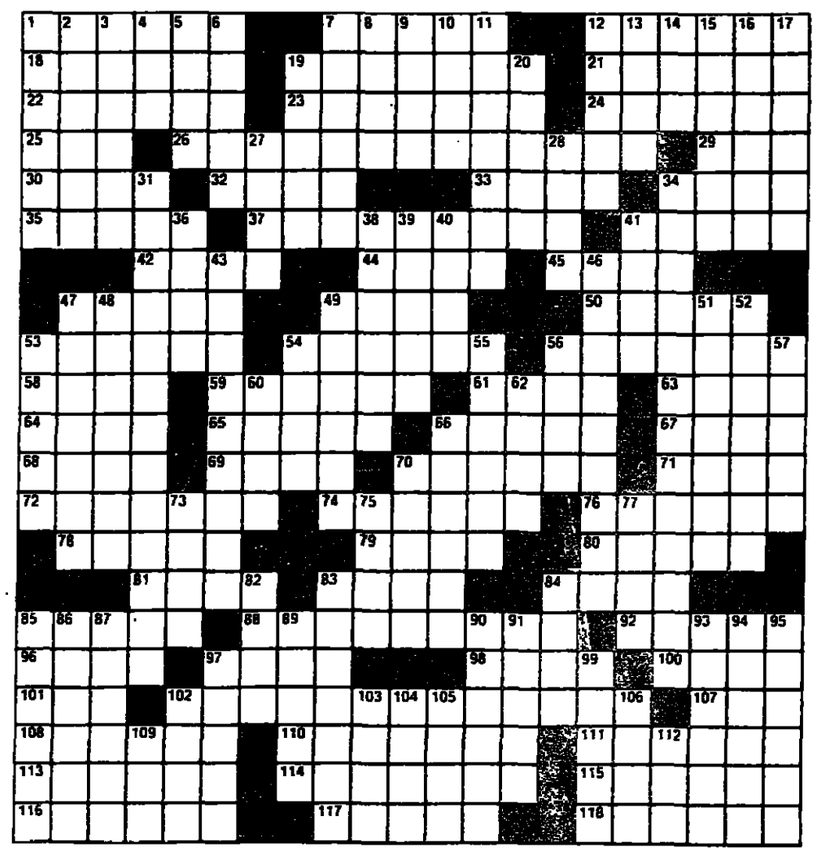
In New York, Sir Richard told me that success for "Cry Freedom," by mobilizing opinion around the world, would reaffirm his belief that "right does triumph, in the end." But from Mr. Woods, in a Beverly Hills hotel, I had a rough tally of the effects of Mr. Biko's death on opponents as well as supporters of the Government, and there was little in it to encourage the conviction that much that is heartening has flowed from the affair.

Ten years later, Mr. Biko's organizations have mostly folded, to be succeeded by a rump group, the Azanian People's Organization, that has lost leadership among young blacks to the African National Congress, an organization long committed to violence. Mr. Woods remains in exile in London, resigned to stay there until the Afrikaners cede power to the blacks; and the Biko family's lawyer, Shun Chetty, who broke the news that the black leader had died of head injuries, is in exile, too, working for the United Nations High Commission on Refugees in Khartoum.

If there is any solace for the surviving victims of the affair, it may be that the perpetrators eventually paid a price as well. Several police officers involved suffered unwanted transfers and demotions, and Mr. Kruger's career was ruined. Forced out as Justice Minister, he spent years wandering aimlessly down the parliamentary corridors in Cape Town. He died earlier this year, but not before unburdening himself. In London on a clandestine bid to buy a tankerload of Saudi Arabian oil, he went for drinks one evening in the bar of his hotel, and was overheard to say: "Ag, man, the Biko business, that was the biggest disaster of my career."

Sesquipedalia

BY BRETT A. BLAYLOCK/Puzzles Edited by Eugene T. Maleska

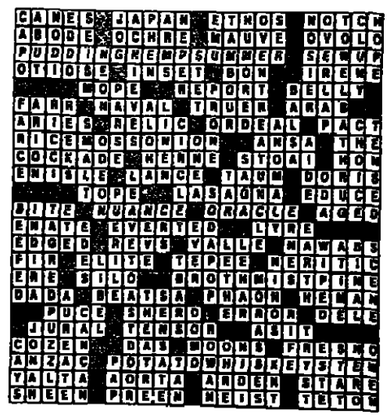


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Ten Days That Shook the World

The 70th anniversary celebration of the Bolshevik Revolution opens tomorrow, with Mikhail Gorbachev expected to start weaving back into Soviet history some of the many pages long ago torn out. The Bolsheviks thought themselves the vanguard of a Socialist movement that would sweep the world. Those who commemorate the Revolution now struggle with a troubled system.

Mr. Gorbachev wisely seems to believe that he cannot build a future on past lies. There's no better way to penetrate the cynicism that pervades Soviet views about reform. But he must go beyond the worn excuses seen in the first glimpses of his forthcoming book.

John Reed, an American, provided an eyewitness account of the Revolution in his book, "Ten Days That Shook the World." And so they did, for seven decades. Mr. Gorbachev might now well address 10 distinct, particularly troubling days, each symbolic of larger questions.



☐ ***March 15, 1917: The Overthrow of the Czar.*** The end of the monarchy was followed by a provisional government that sped up modernization. It was these liberals and their democratic ideals that the Bolsheviks overthrew.

☐ ***Nov. 7, 1917: The Bolshevik Seizure of Power.*** This is the revolution the Russians will celebrate, surely with great praise for the man who led it. But can they acknowledge that a part of Lenin's legacy was to reject the market forces and diversity of ideas whose return reformers now seek?

☐ ***March 17, 1921: A New Economic Policy.*** Economic collapse forced Lenin into a large dose of free enterprise, in a program very much a model for today's reformers. The N.E.P. did much to restore economic health. But its success generated enemies among the more orthodox Communists.

☐ ***Jan. 21, 1924: The Death of Lenin.*** The bitter succession struggle, like the argument over the N.E.P., signified the clash of opinion over how best to pursue the goal of socialism. Leon Trotsky argued that it could never thrive in one state alone, and that the nation's limited resources should go into the production of consumer goods. Stalin, his eye on building power in the Soviet Union, pressed instead for industrialization and weapons, and won. Trotsky was later assassinated in Mexico — and written out of history.

☐ ***Dec. 1, 1934: The Assassination of Kirov.*** Circumstances surrounding the death of Sergei Kirov, the Leningrad party leader, were cloudy; many suspected that Stalin was the instigator. The assassination stands at the beginning of 25 years of terror, in which Stalin wiped out enemies, real and imagined, perhaps by the millions, and brutally forced collectivization in his struggle to build an industrial giant and military superpower.

☐ ***Aug. 23, 1939: The Nazi Nonaggression Pact.*** That Stalin made such a cynical and monstrous pact with men he had so long and so fervently denounced shocked the world. It contained a mutual pledge of neutrality and a secret agreement to divide Poland. Thus it provided a foretaste of Soviet domination of Eastern Europe.

☐ ***Feb. 25, 1956: Denunciation of Stalin.*** When Nikita Khrushchev denounced Stalin at the 20th Party Congress, he began airing the secrets of 25 years of terror and easing repression. But the man who allowed the publication of "One Day in the Life of Ivan Denisovich" denied the same to "Doctor Zhivago." He told Boris Pasternak that if he collected his Nobel Prize, he couldn't return.

☐ ***Nov. 4, 1956: The Hungarian Revolution.*** The Khrushchev speech was attacked as an assault on party discipline and Socialist morale worldwide. Shortly after it, Hungarians seeking freedoms and autonomy learned there was no room for such independence in the Socialist alliance.

☐ ***Oct. 14, 1964: The Ouster of Khrushchev.*** For what Pravda called his "harebrained schemes" and "hasty decisions," the erstwhile reformer was stripped of power. Foreign pleas for explanations brought few. The effort to erase Mr. Khrushchev from history began.

☐ ***Aug. 20, 1968: The "Prague Spring."*** Soviet tanks rolled into Czechoslovakia to smother the quest for democratic socialism. Leonid Brezhnev responded to international outrage with his doctrine: Soviet interference in other Communist states is justified by a "threat to the security of the socialist community as a whole."

On March 11, 1985, Mr. Gorbachev assumed power and continues to surprise the world. His leadership follows 20 years of economic stagnation. His commitment to change is tested by Communist party ideology and bureaucracy, and by the xenophobia, security mania and mistrust of innovation bequeathed by Russian history.

There are history lessons here, and not only for the Russians. A look at the last 70 years shows that the Soviet Union has not been a static place, nor Communism an unchanging system — nor did reform begin with Mr. Gorbachev. But he wants to carry it much deeper. He celebrates the Bolshevik Revolution not simply for ritual but to advance his own revolution.

The prospects for this new revolution are utterly unpredictable. Unmistakable, however, is the depth of proposed change. The Soviet system may be a super-bureaucracy but it has produced a leader who himself shakes the world. Those who believe they can deal productively with this Soviet revisionist based on old platitudes need some new vision of their own.

Where the Sick Lie in Chains

The images lend a grim whiff of the Middle Ages to modern New York City hospitals: Patients in desperate straits — devastated victims of AIDS, pregnant women on the verge of labor — lie shackled and chained to their beds.

It's wholly gratuitous indignity and discomfort. These city prisoners are in no condition to flee or cause trouble. Many aren't even convicted of crimes and are prisoners only because they have no money for bail. State prison officials have long prohibited such barbarity for ailing convicts except in those very rare cases where the patient remains uncontrollably assaultive; the city's Department of Correction ought to do the same.

Ideally, ailing prisoners should be confined to secure wards set up to prevent flight. But only two such wards exist in the city hospital system, at Bellevue and Kings County. Their combined capacity of 66 can't possibly meet the demand, now increasing as more inmates develop AIDS. And the two secure wards are for men only; all female patient-prisoners are sent to general wards. Thus in 1986, some 800 city hospital patient-prisoners were placed under constant surveillance and shackled. On a given day, about 20 may now lie in chains. Pain and indignity are considerable. Movement produces chafing and cuts from the leg irons. The restlessness that accompanies fever brings special torment. A patient must ask permission and be unshackled to visit the bathroom. One AIDS patient remained shackled for more than 90 days.

City hospitals need additional secure wards where shackling is not practiced and costly one-on-one officer surveillance is unnecessary. The first new beds in such an expansion ought to be reserved for women. In the meantime, why not give the prisoner-patients on general wards freedom from their chains? Any who are not too sick to think of fleeing are adequately deterred by the presence of prison guards at bedside.

Shackling of the sick has no place in a city that would call itself humane.

The Reagan-Bush Accord

Vice President George Bush is constantly asked to demonstrate how he is independent of President Reagan. When the question came up again in the Republican candidates' debate in Houston last Wednesday, his answer produced both an exclamation mark and a question mark.

He was not about to sacrifice loyalty to the President for the sake of independence, he said. "In my family, loyalty is a strength, not a character defect." That produced a burst of applause from the Houston audience and favorable comment from television watchers elsewhere.

Then came the question mark. Mr. Bush described several initiatives "where you might say there is a difference" — proposals for reducing capital gains taxes, for education savings bonds and for "a North American Accord to include Mexico as well as Canada in free trade."

A difference? Ronald Reagan opened his campaign for the Presidency on Nov. 13, 1979. Here is the headline that appeared over The New York Times's story the next day: "Reagan, Entering Presidency Race, Calls for North American 'Accord.'"

Topics of The Times

Who Fines OSHA?

If the Occupational Safety and Health Administration is correct, the building collapse that killed 28 workers in Bridgeport, Conn., last April could have been prevented for far less than $5.11 million. Now it will cost the companies involved that much just to pay OSHA's fines.

After a six-month investigation assisted by the National Bureau of Standards, OSHA blamed the collapse of the L'Ambiance Plaza high-rise on "a pattern of sloppy construction practices ... and an overall sense of employer complacency for essential workplace safety considerations."

Yet OSHA, it must be pointed out, did little or nothing to disturb the "employer complacency" it now criticizes. The agency remains notoriously short of inspectors, and its own regulations allowed Texstar Construction Corporation of San Antonio, now facing $2.5 million of the fines, to avoid reporting two "early warnings."

The $5.11 million in fines is by far the largest ever imposed by the agency. As the father of one victim said, it doesn't much matter to the survivors "how much money the Government makes" from the tragedy. What does matter is preventing the same thing from happening again.

Letters

Coming to Our Economic and Military Senses

To the Editor:

There is an unrecognized link between the causes of the stock market's collapse and the need to rethink and revise our global political and military strategy, beginning with the Persian Gulf.

In varying degree, each President since the beginning of the nuclear age has based the nation's policies on the conviction that it was in our interest, and was our responsibility, to become the principal military protector of the non-Communist world, regardless of the costs required. The policies that flow from this premise have been extremely expensive.

Nevertheless, each President, especially President Reagan, has, in consequence, adopted four unsound policies: (1) basing our military strategy and weaponry overwhelmingly on nuclear arms and all that goes with them, especially strategic missiles, which would be, if used, not only suicidal but even omnicidal, and which are useless in small, presumably controllable conflicts; (2) underusing diplomatic and economic policies to combat the spread of Marxism-Leninism; (3) underusing the United Nations in situations like the Persian Gulf, where collective action could keep sea lanes open without exacerbating Iranian hatred toward the United States, and (4) bearing a very disproportionate share of the military costs required for such protection, compared with its beneficiaries.

All four of these policies, coupled with a fifth, have contributed to the crisis of confidence that brought on the market collapse. The fifth was the voodoo economics that led President Reagan to believe that a massive military buildup and a major tax cut were compatible. Mr. Reagan has been nearly alone in refusing to face this incompatibility.

An adequate nuclear deterrent can be achieved at a fraction of the cost of our current program, but not if we insist upon pursuing the "Star Wars" course. That would be counterproductive and extremely costly. An adequate conventional deterrent could, very probably, be achieved through negotiations with the Soviet Union to work out a rough equivalence between North Atlantic Treaty Organization and Warsaw Pact tanks without a big buildup of NATO tanks. Our weaponry should match conflicts we are most likely to face, not a nuclear war "that cannot be won and must never be fought," to quote President Reagan.

If we were to couple such a revised and less costly military program with greater use of collective action (especially through the United Nations and such regional groups as the five Central American nations), make more and better use of the tools of economics and diplomacy, and put added pressure on our allies to bear a greater share of the costs of their defense, we could at the same time reduce the deficit substantially and make our world safer. This should make Wall Street, the country and our allies realize we are finally coming to our senses.

RUFUS E. MILES JR.
Rutland, Vt., Oct. 21, 1987

The writer is a former senior fellow of the Woodrow Wilson School of Public and International Affairs of Princeton University.

Other Solutions

To the Editor:

Prof. Lawrence H. Summers of Harvard offers a large dollop of conventional wisdom to solve the unconventional economic problems of our times ("In the Wake of Wall Street's Crash: Monday Wasn't So Black," Op-Ed, Oct. 21). He recommends a "sincere effort to eliminate the budget deficit" and a policy to "bring the dollar down quickly."

This advice is especially dangerous when confidence has been shaken by the stock market plunge; both consumers and businessmen are likely to cut back spending in the uncertain days ahead. Raising revenues or lowering Government expenditures to reduce the deficit can exacerbate current recessionary tendencies and even create a second Great Depression in the 20th century.

A further lowering of the exchange rate can increase exports by making United States companies more competitive in overseas markets, only at the expense of making foreign companies less competitive. From a global standpoint, the sales and jobs we gain will be at the expense of foreign businessmen and their workers as we export our unemployment to our trading partners in Europe, Asia and South America. Many of these countries are already facing postwar high rates of unemployment and are unlikely to acquiesce quietly to a further sharp reduction in the dollar, which increases unemployment among their workers.

In the Great Depression, exchange-rate devaluations by countries to improve trade balances resulted in trade wars, as one country after another exported its unemployment. The overall effect was to increase global unemployment. That will happen again if we are foolish enough to try to lower the dollar further.

As for our Latin American neighbors, a lowering of the dollar reduces their ability to earn dollars in export markets. Hence it will be even more difficult for South American countries not to default on their foreign loans, thereby mortally wounding our own banking system.

What is called for is innovative, unconventional solutions, including a new Bretton Woods-type conference to limit movements in exchange rates and to develop institutions that (a) prevent any country from running excessive and persistent trade surpluses, and (b) coordinate monetary, fiscal and incomes policies among the major countries to employ the world's resources fully without inflation.

Unfortunately, such an innovative approach is unlikely to be on the political agenda. With a major election coming in 1988, Professor Summers's conventional wisdom is more likely to be pursued in Washington for partisan political advantage, for as John Maynard Keynes warned us, in the Great Depression, "wordly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally."

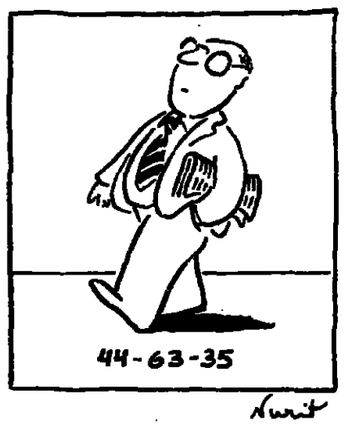
PAUL DAVIDSON
Knoxville, Tenn., Oct. 21, 1987

The writer, professor of political economy at the University of Tennessee, is editor of the Journal of Post Keynesian Economics.

Eternal Vigilance Is the Price of Feminism

To the Editor:

I hesitate to criticize an Op-Ed article with which I generally agree, but I am constrained to observe that Joan E. Bertin's "Long and Short of It" (Oct. 14), chastising the fashion industry for dressing women in the apparel of oppression, succumbs, in one brief and sassy parenthetical remark, to the very same attitudes she decries. While describing her recent and exhilarating liberation from short skirts and such, Ms. Bertin celebrates the respect that more dignified dress has helped garner her from all corners. She writes: "I care that male admirers appreciate me for things other than the condition of my upper thighs (which, in case you wondered, aren't bad)."



Now, I realize that many readers did wonder about this; they wondered because Ms. Bertin is a woman, and (this is part of her message) many people still are incapable of seeing or hearing a woman's name without speculating about her appearance. As far as such people are concerned, Ms. Bertin, I think, did little damage by supplying some vividness.

But others speculated about her looks for a different reason: a woman would not complain about short skirts, they would reason, if she had fine legs; only a plain Jane, a dowdy, winces when fashion demands bareness. In volunteering the information that she is not one of these unfortunates, Ms. Bertin joins those who would classify women (and only women) according to their loveliness or unloveliness.

LISE HEINZERLING
Chicago, Oct. 14, 1987

'First Amendment Demands a Hide That Tough'

To the Editor:

Having lived through a somewhat similar experience, I cannot help sympathizing with Judge Robert H. Bork when he complains of the hearings on his nomination to the Supreme Court that "the facts of my professional life have been misrepresented" and requests that "voices be lowered, the facts respected" (news story, Oct. 10).

One wonders, however, how he reconciles his complaint (whether accurate or not) with what he wrote on this subject on another occasion.

In his concurring opinion in the Ollman v. Evans and Novak libel suit (Dec. 6, 1984), Judge Bork wrote: "in order to protect a vigorous marketplace in political ideas and contentions, we ought to accept the proposition that those who place themselves in a political arena must accept a degree of derogation that others need not. ... The individual who deliberately enters that arena must expect that the debate will sometimes be rough and personal. ... many cruel and damaging things were said about various candidates for major political offices. ... We expect people who engage in controversy to accept that kind of statement as their lot. We think the First Amendment demands a hide that tough."

Or, are we to understand these remarks as applying to everyone but Robert Bork?

BERTELL OLLMAN
Professor of Politics, N.Y.U.
New York, Oct. 14, 1987

The Point of Contention

To the Editor:

In "Scalia Was 'Worse' Than Bork" (Op-Ed, Oct. 19), David A. Kaplan refers to the differing opinions by Judges Robert H. Bork and Antonin Scalia on the Court of Appeals for the District of Columbia Circuit in the appeal of Prof. Bertell Ollman's libel suit against the columnists Rowland Evans and Robert Novak.

Mr. Kaplan says the case arose by virtue of a charge of Marxism against the professor. Professor Ollman was a self-pronounced Marxist and therefore had no claim in that respect.

The thrust of his complaint was the statement by the columnists, supported by an anonymous source, that Professor Ollman had no status within his profession, but was a "pure and simple activist." The court majority held (6 to 5) that this observation was privileged as a statement of opinion and could not justify a libel verdict.

As the author of "The Libel Revolution" (1987), I object to the misinterpretation of an important defamation case.

MICHAEL F. MAYER
Scarsdale, N.Y., Oct. 19, 1987

Worse Is Imaginable

To the Editor:

"Looking Beyond the Ticker" (editorial, Oct. 22) associates the stock market drop with the world's economic problems. Not to deny or diminish the problems, do you really mean to imply that without these problems, the stock market could have continued to shoot up indefinitely? Suppose the Dow Jones industrial average had reached 3,000 or 4,000, instead of just 2,600, and suppose the price-earnings multiple had reached 30 or 40 instead of just 23. Would not the inevitable correction just have been more severe?

H. M. SMITH
Fanwood, N.J., Oct. 22, 1987

Now Just Suppose Mrs. Reagan Had Been a Medicare Patient

To the Editor:

The surgery on our First Lady points up the basic problem in Medicare policy. Medicare claims that physicians are overusing the system and plans to reduce reimbursement to physicians by 15 percent next year. Yet the First Family in seven short years has had five major surgeries and numerous diagnostic and endoscopic procedures.

These include partial colectomy for colon cancer, prostatectomy for urinary obstruction, nasal surgery for skin cancer, chest surgery for gunshot wound, radical mastectomy for breast cancer, colonoscopies and endoscopic removal of colon polyps.

The spinoff of all this First Family surgery is a popularization of diagnostic tests for the general population. In my own practice, urology, there was a dramatic increase in the number of patients requesting consultation during the two months after President Reagan's prostatectomy. My general surgical colleagues have experienced similar activity after each Presidential colonoscopy.

The reality is that older people are taking better care of themselves, living longer and more healthy lives. This care costs money, and the Federal Government is finally realizing the extent of its Medicare obligations.

Unable to deny services to eligible patients, Medicare is trying to sweep the problem under the carpet by attacking physician reimbursement. In addition, the Medicare diagnosis-related groups system has squeezed hospitals into shorter hospital stays for the elderly. If the First Lady were treated as most Medicare patients are, she would never be allowed a seven-day postoperative hospital stay.

The funds are available for good care of the elderly. Unfortunately, these funds are now being spent on the military budget. If the choice between the military and medicine were to be made clear, I believe that the populace would insist on a reappraisal of our budgetary priorities. In the meantime, however, physicians and Medicare are caught in a battle, with the real loser being the senior citizen.

BERTRAM J. LEVY, M.D.
Port Townsend, Wash., Oct. 18, 1987

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

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AT HOME ABROAD
Anthony Lewis

Symbols That Matter

LONDON

A financial world fearful of incompetence in the American Government is looking desperately for reassuring symbols. People want a sign that Washington understands the seriousness of the economic threat. They want to see a willingness to put aside political fancies in a search for common purpose.

The eagerness for restored faith in U.S. leadership is tangible. What actions would be symbolically effective in the task of restoration?

Bring Back Volcker. That was the heading on a letter published here the other day. The same sentiment could no doubt be found in other international financial centers.

Paul Volcker made his mistakes as chairman of the Federal Reserve Board. But there is immense international confidence in his nonpartisan financial judgment. To bring him back into the picture would be a potent symbol of reason and determination.

What might Mr. Volcker do? He could be brought in as Secretary of the Treasury in a reshuffle of the Reagan Cabinet and White House staff. Or he could be a special ambassador to organize an urgent international meeting on the financial crisis.

> Bring back Volcker's steadying hand.

Such a meeting would itself be an important symbol. We have learned in the last two weeks how technological change has created a single world financial market. Any shock in Tokyo or London or New York reverberates on the others at once. More than ever, the Western economies must hang together — or separately, as Ben Franklin said.

The purpose of a conference would be to demonstrate that the political leaders of Europe and Asia and America understand their countries' interdependence and are ready to put aside narrow, self-interest and ideology for common goals. It could be an effective gesture in restoring confidence, but there is a catch. It has to work.

The gloomy precedent that warns of the risk of failure was the London Economic Conference of 1933. It was designed to take cooperative steps to relieve the world Depression. But Franklin Roosevelt torpedoed it, the conference failed and national trade barriers grew worse. So did the economic decline.

A conference now would be worse than useless unless there were undertakings from the major participants before it was held — earnests of commitment to the common purpose of restoring confidence. It is not hard to see what some of them would have to be.

Reducing the U.S. budget deficit is the first requirement. Some economists warn that Government spending cuts and tax increases are unwise as the economy faces possible recession. That is logical, but in this case the symbolic need is overwhelming. The world wants to see that President Reagan is ready to put aside the ideological obsessions that have led to profligacy.

In return for evidencing fiscal restraint at last, the United States will want commitments from its key economic partners to more relaxed monetary policies. That is, West Germany and Japan will have to take the risk of some inflation and expand their economies if there is to be meaningful international cooperation.

The American symbols needed are not limited to steps by the executive branch. Something is required of Congress, too, and no one can be in any doubt what that is. It is to give up the effort to pass a protectionist trade bill.

Can anyone imagine a surer way to international financial ruin than final passage of Representative Richard Gephardt's trade bill? It would evoke memories everywhere of the Smoot-Hawley Act, the tariff increase of 1930 that intensified the collapse.

But in the American system the main source of leadership has to be the White House. Only a President can rally the people in difficult times, reason with Congress, overcome differences with allies.

To say that is to recognize the essential difficulties of all the proposals for economic confidence-building today. President Reagan cannot himself restore confidence in New York or London or Tokyo, because everyone in the financial world knows that he does not understand the problem. Facing a profound threat to his country, he spends his time reading out preposterous diatribes about the Senate and the Supreme Court.

That is why the Volcker idea is more than a symbolic gesture. Paul Volcker would not come back to public office unless he could act effectively. If he came back under such terms, Ronald Reagan would have to stop uttering his economic fantasies. He would have to follow Mr. Volcker's lead, and that would matter. □

How Reagan Created the Crash

By Daniel P. Moynihan

WASHINGTON

Start with the French theologian Georges Bernanos: "The worst, the most corrupting lies are problems poorly stated."

Next, the problem. THE CRASH, as Time magazine described the event on last week's cover. Preceded by the twin towers, the budget deficit and the trade deficit.

Now. What preceded the twin towers? *How* did the deficits come about? What is the nature of this problem?

The President has given us the only answer available to him. Asked about "the economic mess" on Oct. 22, he explained that it is the result of one party in Congress pursuing "for more than half a century the Keynesian theory of deficit spending." Mr. Reagan appears to have been an early or at least anticipatory Keynesian, having told us that this brand of economics was taught when he was at Eureka College, from which he graduated in 1932. Keynes' seminal work did not appear until 1936, and the doctrine did not have any real influence on policy until World War II. But the President is not about to change his mind for the simple reason that he cannot afford to.

He cannot for the plain reason that the deficits that have brought such turmoil did not begin in the 1930's; they began in 1981. They began, as Brent Scowcroft, John Deutch and R. James Woolsey have written, "In a brief period in 1981," when a handful of key decision makers, in the heady atmosphere of a new Administration, "put forth a theory with a patina of technical respectability [that]... held that trashing the nation's revenue base would not interfere with either prosperity or necessary Government activities."

The deficits, in sum, are Mr. Reagan's.

To make it just a bit more complex, two sets of interests merged. On the one hand were the plain-spoken tax cutters who held to an artless but aboveboard theory that reducing tax rates would increase tax revenues, or certainly not reduce them. This was variously described as supply-side economics or voodoo economics, as you like. Still, it was an open policy.

But there was also a concealed policy. David Stockman has given us a day by day account of how it evolved. Better educated, perhaps, or smarter, or whatever, he quickly realized that the fiscal proposals of the 1980 Republican platform would not work:

"To balance the budget we would need huge spending cuts too — more than $100 billion per year. The fabled revenue feedback of the Laffer curve had thus slid into the grave of fiscal mythology 40 days after the supply-side banner had been hoisted up at the G.O.P. Convention."

Then inspiration struck. If they went ahead anyway and *created a fiscal crisis*, they would carry history with them.

"The success of the Reagan revolution depended upon the willingness of the politicians to turn against their own handiwork — the bloated budget of the American welfare state. Why would they do this? Because they had to! In the final analysis, I had made fiscal necessity the mother of political invention."

Now comes the interesting part. The 1981 tax cut was enacted. Congress consulted its hopes rather than its fears — Howard Baker's "riverboat gamble." The new deficit appeared. But then it didn't disappear.

> The deficits that brought the recent turmoil began in 1981.

Congress assumed there would be some corrective action, and indeed forced some. But there was no help from the White House. Various explanations were traded about. All save one: namely, that the Administration *desired* the crisis.

We are, as we tell ourselves, a pragmatic people. We have little feel for ideology. We have great difficulty, as the young would put it, accessing ideological files. They are not user friendly to us. Create a crisis? For ideological purposes? Are you out of your head? The rest of the world is filled with people setting off various kinds of bombs, deliberately creating crises, but not our world.

Poor Stockman. In time, he realized that his crisis wasn't working out right. There was never any possibility of cutting outlays of $100 billion. It was in truth a demented vision. And so we began to borrow abroad to finance the deficit. In a matter of months we went from being the world's largest creditor to the world's largest debtor.

As we had to borrow abroad, the cost went up. By 1985, the dollar had almost doubled (up 81 percent) against the Federal Reserve Board basket of currencies. We got less for exports, paid more for imports and the trade deficit was in place. The present crisis was on its way, but by then even Mr. Stockman's co-conspirators had forgotten how it started. Nothing was done. He would write: "It was a willful act of ignorance and grotesque irresponsibility. In the entire 20th century history of the nation there has been nothing to rival it."

> The demented vision of his voodoo economics.

The trade deficit then provoked a protectionist movement that, to its credit, did stir the Administration. Measures were taken to bring down the value of the dollar. To a foreign holder, the return on the American investment is a multiple of the return itself and the rate of exchange. As the dollar dropped (down 41 percent since February 1985), the return dropped. And so it was only a matter of time until investments were liquidated and the market crashed.

But this is not a systemic problem; rather, it arises in large part from a one-time "revolution" — slashing revenues to decimate the welfare state — which got us where we are today. But these transient events are not likely to be repeated. Not, that is, if we will just grasp what they were, and state the problem properly.

Will we? Time magazine ran a nice essay: "In the Shadows of the Twin Towers." Voodoo economics is mentioned, but the scheme to dismantle the bloated welfare state nowhere appears.

Keep in mind that the President was in on that scheme. In his first televised address to the nation on Feb. 5, 1981, he told us in his "Address to the Nation on the Economy," things were *terrible* but revealed his plan: "Over the past decades we've talked of curtailing Government spending so that we can then lower the tax burden. Sometimes we've even taken a run at doing that. But there were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know, we can lecture our children about extravagance until we run out of voice and breath. Or we can cure their extravagance by simply reducing their allowance."

It is not all that hard to figure out what to do. Just now, the revenues and *program* outlays of the Federal Government are in balance. The annual deficit about equals the interest we pay on the national debt. What we need in one form or another is a sinking fund that will get the debt down to where it was before the Reagan revolution — by, let us say, the year 2000. Hard cheese, but edible. What we do not need is a collapse into historical pessimism and passivity. □

Daniel Patrick Moynihan, Democrat of New York, is a member of the Senate Finance Committee.



Detail of Raphael's "Sistine Madonna"

A Send-Off From This 'Vale of Tears'

By Joe Queenan

TARRYTOWN, N.Y.

At the funeral for the 28-year-old cancer victim, the priest sounds very much like a National Aeronautics and Space Administration official: Something unspeakably horrible has occurred, our hearts are heavy, but the system — whatever its seeming imperfections — works. The tragedy is part of an indecipherable plan, but it is not without meaning, and from this we can take comfort. Besides, we must go on.

The "we" is the important part, because rare is the funeral service where the deceased is not depicted as making out like a bandit in going on to his eternal reward, while the rest of us have to tough it out down here in this Vale of Tears.

In Donald's case, because of his hideous suffering — radical chemotherapy, bone marrow transplant and the inevitable ostracization by friends and co-workers that the cancer-ridden so often experience — there is something to be said for this; I personally was relieved when his suffering was over. But many of us poor souls here below have summer homes, bouncing babies and season's tickets to Rangers games.

Donald, who frequently voiced such desires as "to live long enough for another Elvis Costello tour," was overjoyed when I told him that Costello would not be visiting New York in the spring — when he still expected to be hospitalized — but that summer, when he expected to "be better." So if it is true that he has gone on to a far, far better place, all I can say is that he probably would have liked to delay going until late August. He liked this Vale of Tears.

Joe Queenan writes frequently for magazines and newspapers.

The most repugnant feature of funeral services is the eulogizing of the dead by professional homilists who did not know them, and who might have gotten a pop in the kisser if they had. When the head of the Murray Hill community garden that my wife and I belonged to died a few years ago, one of his distant relatives must have whispered something vaguely horticultural into the ears of the hired gun who gave him his spiritual send-off, because that morning we were harangued at length about Dolph's passion for cherry trees and mimosa.

It was news to us; no one in the garden had ever heard Dolph breathe a word about trees. Basil, yes; trees, no.

At Donald's funeral service, the eulogist was similarly at sea.

"Due to circumstances beyond my control," he said, "I did not know the deceased." The circumstances were that Donald despised organized religion, and didn't believe in anything, much less God. "But I knew the roots from which he sprang," he continued. Faulty logic there; familiarity with the parents of Hitler, Buddha and Babe Ruth wouldn't have told you much about their children.

And when the hooey really got into high gear, when the phrases about being "to the manor born" and "facing death with stoic calm" started flowing, I thought back to a very different Donald, the one who came into my office a couple of weeks before Christmas 1985 with his arms full of 1986 business calendars, and began tearing out all the months he "didn't think I'd be needing."

> 'We'll smile indeed.'

> Too much hooey at funeral services.

This delightfully morbid sense of humor was also in evidence the last time I saw him, when he spent 15 minutes complaining about a TV special lionizing yet another one-legged marathon runner. "Why don't they do a special about somebody with non-Hodgkins lymphoma running in a marathon?" he sneered. "It'd be a big hit in this ward."

Puckish lad that he was, Donald would not have liked the generic Irish-Catholic send-off he got, preferring something more Bill Murrayish. But if he didn't want that kind of send-off, he should have said so in his will. He should have said a lot of things, like: Burn this ruined body by sunset, scatter my ashes outside CBGB's, and under no circumstances allow any eulogist to turn me into a nice guy in death that I never was in life.

The reason Donald left the planet in a ceremony so incongruous with the way he lived was that he never admitted that he was not going to "beat cancer."

Eight days before he died, when I asked him why he didn't buy himself a portable CD player, since he'd been talking about doing it for months and since it would have drowned out the sounds of Entertainment Tonight, Tomorrow Night and Every Other *Night emanating from his roommate's* TV, he said: "The good ones are still around $300; I'm waiting for them to come down to $260." Maybe this was whistling in the dark, or American consumerism gone mad, but that's the way I'll remember him: as a person who, though his body was disintegrating by the minute, still thought he could live long enough to beat Sony out of a few extra bucks.

After the dead are gone, we curse ourselves for all the things we didn't say. But what we didn't say was "Please live till next Sunday; please *be here when I come back.*" Or "I love you, man." I defy anyone to tell me when those words are appropriate. It's not that we real men can't show affection; it's that we need the other real men — the dying ones — to give us our cue; to say, "Okay, this is the end of the line. Say what you gotta say." Donald never admitted that he was at the end of the line. So what I had to say didn't get said.

Ten days before Donald died, a priest made his way into the nearly delirious young man's room and told him that if he just took off his glasses, he could see what Purgatory — his next destination — looked like. Donald lived long enough to tell me that if I ever had occasion to die of cancer, I should check into the hospital under a fake name like Lao-Tse or Ginsu, warning that an apostrophe in a last name (he was Irish) is like blood in the water. He also lived long enough to say that as he had 20-800 vision, things didn't look so good, Purgatory-wise.

Things don't look so good now, either. When the dearly beloved at his funeral were told that they'd be seeing Donald on the other side of the Great Divide, I knew that my friend would have viewed such a celestial reunion as highly unlikely. So do I. Seeking comfort, I think of the scene from Julius Caesar where Cassius tells Brutus, "For ever and for ever, farewell. If we do meet again, we'll *smile indeed. If not, 'tis true this* parting was well made."

We didn't have a well-made parting, Donald, and I'd be surprised if we meet again. But we smiled indeed while we could. □

ESSAY
William Safire

On the Firing Line

WASHINGTON

Hey, the field of Republican candidates looks pretty good. At the debate conducted on Bill Buckley's "Firing Line" last week, our six-pack came across as both more experienced and comfortable in its own skin than the Democratic six-pack did on the same program.

Conventional wisdom and flash polls have it that George Bush, as front-runner with the most to lose, "won" for not losing. Maybe so, but the debate — four long months before voting season begins — is more instructive in demonstrating how the six men conflict, differentiate, refine and memorize their messages, and react to the unexpected.

Pat Robertson's mission was not to preach to his own choir, but to assure other voters that he is not a religious fanatic or Tammy Bakker's husband. He succeeded in appearing not to be a danger to the Republic, but his practiced ease on TV went a bridgework too far; the smile is engaging, but he is not running for Mr. Congeniality. Nobody crossed swords with him in debate, because all other candidates want his religious-right supporters after he pulls out; like the Democrats' Jesse Jackson, the Republican preacher is treated with such respect as to make him a debate untouchable.

> Our Republican six-pack looked pretty good.

Pete du Pont, coached to look directly into the camera at all times to project sincerity, knew he had to take on the front-runner to establish his identity. He stepped into a buzz saw by challenging the Vice President's vagueness: Mr. Bush responded by calling him "Pierre," an aristocratic appellation Mr. du Pont apparently considers unlucky, and savaged the former Delaware Governor for his "nutty, dumb" idea on supplementing Social Security with I.R.A.'s (actually a good idea, as iconoclastic as his plan to eliminate farm supports).

George Bush had the best-prepared opening and close, suggesting staff professionalism, and used the word "leadership" at least as frequently as Bob Dole did. Primed to engage if provoked so as to eliminate the dread "wimp factor," he tangled with Al Haig on the I.N.F. treaty and it was George's turn at the buzz saw: when recalling a crucial test within the Administration in 1982, Al stopped George with "I never heard a whimp out of you." (*Whimp*, meaning "peep," is from the verb *whimper* and also spawned the slang *wimp*; this was a sly shot that made up for "Pierre.")

Al Haig, tense and ponderous at first, loosened up as the two-hour debate wore on and actually began to enjoy his role, which I suspect is to persuade the Republican convention to reject the Bush-Dole extension of Reagan détente. Al never fails to point out that he served seven Presidents, and proved he could drop the names of foreign leaders with anybody: his criticism of the intermediate-range missile treaty was incisive, linking an intermediate agreement with reduction of conventional and strategic weaponry. For one glorious minute, he sounded like a President.

Bob Dole, calling as usual for leadership (a quality that depth polls must put at the head of the list), pursued his sideline strategy, a Mr. Nice Guy offering to hold the coats of the *noisy combatants. His opener with his* wife was excellent, and he was surely the man most at ease on the platform; but as other debaters gained strength, Senator Dole wryly sought to identify with those in the audience who were bored — "and those who may still be watching" — reminiscent of his unfortunate 1976 Mondale encounter.

Jack Kemp seemed to be the only one focused on the reach of the market crash, reminding viewers of his program for world currency stabilization, which used to draw yawns. He scorned Senator Dole's protestations against a rise in the income tax rate (which means rises in other taxes) and called for a cut in the capital gains tax to stimulate investment. As usual, the Buffalo Congressman was the most specific of the major candidates: he separated from his softer-line colleagues on "Star Wars" deployment and invited Democrats to make a campaign issue of space defense. His strength in debate showed in the fourth quarter, when he subtly zapped the Bush-Dole "leadership" repetition with "I don't think leadership is calling for it or just talking about it."

The most Lincolnesque moment in this joint appearance belonged to Pete du Pont, who heard George Bush say that peace would be his top priority and had the presence of mind to ad lib: "George is a genuine war hero, and surely he has not forgotten what he was so brave for. World War II was not about peace, it was about freedom. So is S.D.I. about freedom. So is joining in common cause with freedom fighters around the world..." □

Futures and Options: How Risk Rattled Wall Street

By WILLIAM GLABERSON

Once upon a time, there were mostly stocks, bonds and bank accounts, and it was a much simpler age.

Welcome to the 1980's. In these go-go years, the geniuses of high finance have been busy inventing a new world in which billions of dollars ride on stock maneuvers that few people really understand. Financial futures are swapped for stocks and back again in space-age strategies that sometimes send the markets reeling. Big investors play one market against another, believing — until the market brutally teaches them otherwise — that it is possible to buy one's way out of risk.

While the system was working, hardly anybody paid attention. But, suddenly, as the market avalanches on the last two Mondays have shown, it isn't working. Now, the experts are beginning to ask whether all that cleverness may have helped push the country to the brink of economic disaster. Did the markets, in effect, try to commit suicide?

That question is kicking off a debate that is one of the most fundamental that can take place in a capitalist system. What is the role of markets? How much of their function is to raise money for businesses? How much is to satisfy the urge to gamble? How much should government regulate a free market?

Conditions were ripe for an end to the aging bull market, most everyone agrees. But the speed and depth of the recent dives sent a chill through the country. And they put a spotlight on the relatively new futures and options markets. Demands are building for regulations to fix what some say are flaws in those markets — flaws that could tear the system apart. "There is an element of underlying risk that was never perceived," said Salomon Brothers' chief economist, Henry Kaufman late last week.

Critics charge that the market's collapse was amplified by the unusual ways in which the futures markets sometimes interact with the stock markets. The futures market was designed partly to shift the risks of price drops away from the equities markets. But when the markets turn sour, the huge institutional traders who dominate both markets play them both — with the aid of computers that can preside over the destruction of billions of dollars faster than people can figure out how to stop them. Rather than limiting risk, critics say, those computer strategies actually contribute to the market decline.

Through history, futures and options have been spurned because they were often viewed as mere speculation. Thomas A. Russo, a securities lawyer who wrote one of the leading texts on commodities law, says options on commodities have been so controversial that they have been banned entirely in this country at least seven times since the early 19th century.

But in this era of deregulation, they have come into their own. The first financial futures contract on securities, Mr. Russo said, was offered in 1975. Since 1982, one particularly novel instrument, a futures contract that mimics the price of Standard & Poor's index of 500 stocks, is the most widely used of the new "shadow stocks. It is a high flier: The amount of money riding on stock futures contracts now dwarfs the amount in the New York Stock Exchange.

Options are the right to buy or sell stock for a certain price on a certain date. Futures contracts represent the obligation to buy or sell stocks on a certain date. Like stock purchases themselves, both are bets on the future. But they are cheaper because fees are lower. That is because they do not require the complex documentation of real stock purchases and they can be bought with much lower "margin" deposits. Although, in theory, futures represent the right to have actual stock delivered on the final date of the contract, this seldom happens and most contracts are settled in cash.

Rather than being a destructive force, as some critics charge, futures and options were supposed to be the magic potions of the new financial world. Used properly in conjunction with purchases and sales of stocks, their salesmen said, futures and options could prevent portfolio losses, making them the perfect hedge. The promise of lower risk helped draw money into the stock market.

Futures and options were viewed as magic potions in a new financial era. Now many call them culprits in the market collapse.

So grand was the feeling of invulnerability that someone named this new strategy portfolio "insurance," a label that seems sure to win an ironic footnote in accounts of the billions of dollars quite uninsurably lost in the collapse of '87.

While the fever of the bull market built, however, the new hedges won plenty of followers and the futures' zealots were not shy about pointing out an apparent correlation: As trading in futures contracts surged, so did the number of shares traded on the stock exchanges. That, they said, was proof that the new instruments were performing the useful function of encouraging investment. The more money hedged in the stock market, the argument went, the more money would come into the market and the country would be richer. It was not an argument anyone felt much like puncturing while the Dow Jones industrial average was climbing skyward.

Many of the future-markets critics acknowledge that the ability to hedge helped spur the bull market. But they charge that the futures markets whipped what might have been a gentle downdraft into a frenzy of selling, adding to the 508-point loss on Black Monday and the second big loss a week later.

The "portfolio insurance" strategies essentially involve alternate bets in the markets. Most of the portfolio insurance programs are run with the aid of complex computer programs — so-called program trading — that can automatically initiate trades in multimillion dollar lots. In the equity markets big investors bet heavily that their stock will move up. In the futures market, for a small premium, they hedge against the chance that those same stocks will move down. If the markets move up, they take the gain from the increase in value of their stock minus the small cost of buying futures to cover themselves against loss.

When the stock market begins to fall, however, the situation gets more complicated. As the value of stocks falls below the value of the matching futures index, program traders and portfolio insurers begin selling stocks and buying futures. This action, in turn, depresses stock prices further, and a vicious cycle begins that sends both markets into a downward spiral.

In an interview last week with New York Times reporters, the New York Stock Exchange's chairman, John J. Phelan Jr., said there was a flaw in the way the financial futures market fed on falling equities prices. Portfolio insurance, for example, was designed so that stockholders could shed some of the risk of owning shares, he said. "But there's a chink in the system, so that instead of protecting itself against a crisis, it had created more risk in the system," he said. "Some way has to be found so that once risk is transferred out, it won't come flying back into the system."

It is not universally agreed that the financial futures markets contributed to the market's collapse. The day after Mr. Phelan's interview, Leo Melamed, chairman of the executive committee of the Chicago Mercantile Exchange, the nation's largest futures exchange, said efforts to pin the blame on futures trading for the stock-market collapse amounted to a witch hunt.

Some critics worry that, without new regulation, the cannibalization of the main market by the futures markets may injure the economy permanently. The country's ability to raise capital could be in jeopardy if people fear investing in stocks, critics say. Some investors may stay out of the market, fearing the increased volatility that many attribute to the futures markets, said Roberta S. Karmel, a former Securities and Exchange Commission member and a member of the board of the New York Stock Exchange. "The questions is: Are these products having the effect of destablizing the equities markets?" she asked.

Some who are concerned about the effect of the futures markets on the economy suggest such adjustments as limiting the amount of futures any one player can control. Some contend that reforms must be more extreme. Markets have always provided havens for the sometimes incompatible goals of investment and gambling, said the economist Robert L. Heilbroner.

He worries, however, that the severity of the market's fall appeared so unrelated to corporate health that it represents the sudden deflation of a vast speculative bubble. The bubble, in turn, he fears, may have been inflated by futures markets — markets more divorced from productive enterprises than the stock market.

The recent fall of the Japanese stock market, he said, can be explained with traditional measures of corporate performance. Since the action in the American markets cannot be explained the same way, Mr. Heilbronmer said, "I can't think of another reason except that the gambling function overloaded the markets."

President Reagan appointed Nicholas F. Brady, head of Dillon, Read & Company and a former United States Senator from New Jersey, to study the market collapse. The Brady commission is expected to look thoroughly into whether the futures markets increase volatility in the stock markets.

The New York Stock Exchange is expecting a report in two weeks on the same subject from former Attorney General Nicholas Katzenbach, requested by the exchange several months ago. And other official investigations are already underway.

■

The Commodities Futures Trading Commission, which regulates futures contracts, says it is studying the market's huge drop. But one of its commissioner, Robert R. Davis, said previous studies had indicated futures markets could affect how quickly equities markets move, but not how far. "We have a problem of unsubstantiated allegations," Mr. Davis said.

The fact that the Commodities Futures Trading Commission is responsible for financial futures is one issue certain to get a lot of study. The agency is small and, some critics say, unsophisticated, compared to the S.E.C., which regulates stocks. But a major issue likely to emerge is not who regulates financial futures, but how they are regulated. One key difference between treating financial futures as securities rather than commodities is the amount of money a player must ante up. Options, less popular among institutional money managers, are regulated as securities.

Since the Depression, Federal law has set a 50 percent "margin" requirement for stocks. That means an investor may borrow no more than half the purchase price. In the world of grain and hog-bellies where commodities rules were born, margins were intended merely as a good-faith deposit that signaled to the seller that he was dealing with a person of honor. Those margins were much smaller.

When financial futures came along, those same rules were applied and the result — until two weeks ago, when the financial futures exchanges temporarily raised their margin requirements during the financial panic — was that people could control millions of dollars of "shadow stock" with relatively small investments. Many critics believe there should be a margin requirement for futures equivalent to the one applied to the securities that set futures' prices.

Those low margin requirements, critics say, multiply vastly whatever negative effects might come from the existence of a shadow market. Until the market collapsed on Oct. 19, investors could control portfolios worth tens of millions of dollars with an actual investment of as little as 7 percent of that amount.

"The country learned a lesson about margins after 1929 and unfortunately, it's a characteristic of human beings that the farther they get from the past, the more they forget," said James M. Stone, who was chairman of the Commodities Futures Trading Commission under President Carter. "These financial instruments opened the back door to 5 percent margins, 50 years after the front door had been closed."

Some influential business experts say they think the recent episode has demonstrated that there may be a need for increasing margin requirements and possibly limiting the amount of financial futures that any one trader can control.

Some experts argue, however, that the investment world will never again be a simple place. Walter B. Wriston, the former Citicorp chairman, said that the stock market's increasingly rapid movement had more to do with the rapid flow of information and the increasing globalization of markets than with other financial developments. In any event, he said, it be unrealistic to think that those markets were going to disappear. Even if they were outlawed in this country, he said, they would move abroad and draw investments with them.

The new markets were born, he said, because computer systems can calculate the value of vast portfolios and communicate information in a flash. "That system," Mr. Wriston said, "wasn't built by economists. It was built by technology and it isn't going to go away."

As long as there are financial geniuses around, they will find a way to test the limits of that technology.

A GUIDE TO FANCY TRADING TACTICS

CHICAGO

Stock options give their owners the right — but not the obligation — to buy or sell a specified number of shares of an individual common stock. They can do so at a set price, called the strike price, within a certain period of time, typically within a few months. An investor buys an option for several reasons. If he believes that the stock will go up, he purchases a "call" option. If he is bearish, he will buy a "put" option, whose value will rise if stock prices fall. The investor risks only the cost of the options plus commission.

Options were once only available through specialized brokers. Since 1973, however, they have been standardized and listed on exchanges. A standard option contract represents the right to buy 100 shares of a stock.

For instance, a speculator might buy one call option giving him the right to purchase 100 shares of Sears common stock for $40 a share, exercisable on the third Friday of November. The price of that call option at the close of trading on Oct. 29 was 62.5¢ a share, meaning he would have to pay $62.50, plus commission, for the option. That same day, Sears' stock closed at $34.63. If Sears stock rises to $42 a share before the third Friday of November, the speculator could exercise his option, sell back those 100 shares of stock, and clear a profit of $2 per share, minus the cost of the option and commissions.

Futures are contracts that legally obligate their owners to buy or sell something for a set price at a specific date. Futures contracts were first used on commodities like wheat or pork bellies to enable both buyers and sellers of those goods to lock in prices for the coming months. Now, exchanges worldwide trade futures on currencies, interest rates, precious metals and stock indexes. Many participants never take or make delivery of the product; they simply trade the contracts.

Stock index futures take the concept of futures trading a step further, allowing investors to bet on the direction of a stock index, instead of individual stocks.

The seller of the contract bets that the price will fall. Both sellers and buyers tend to be large institutions like pension funds, mutual funds and brokerage houses, but Chicago speculators also play a key role. The contract is settled in cash, not by the sale or purchase of the actual stocks represented in the index.

Stock index options are similar to stock index futures, but they merely confer the right, not the obligation, to buy a basket of stocks at a set price within a certain period. Again, the contracts are settled in cash.

Options on stock index futures give their owners the right to buy or sell a specified amount of a given futures contract within three months.

Program trading is the name given to an investment strategy that seeks to take advantage of price differences between stock index futures or options and the group of stocks represented in those indexes. Computers monitor the price differences between the index futures and what is called the "cash market" — the stocks represented in the index. When the stocks rise significantly above the futures price, the computers automatically sell stocks and buy futures.

When the futures rise above the stock price, the computers automatically sell futures and buy stock. Price differences emerge because investors in the futures markets may, for many reasons, feel differently about the market's prospects than traders in the stock market.

Portfolio insurance is a strategy used by big institutional investors. To stem losses when the stock market declines, they sell stock index futures instead of the actual stocks they own. By selling futures, however, portfolio insurers can inadvertently worsen a decline. It is far easier to sell a futures contract for 500 shares of stock than it is to sell those 500 stocks, and therefore, the prices of futures can move far more rapidly than than the underlying stocks. That creates an opportunity for program traders to jump in, exacerbating the fall in the stocks.

JULIA M. FLYNN

The Economy

WEEK IN BUSINESS

A New Floor For the Dollar?



Tom Bloom

The dollar fell beneath what had widely been perceived as the floor values established in February when the seven major Western trading partners met in Paris. Their agreement, known as the Louvre accord, is now widely perceived as being rewritten, if not abandoned. Officials of the nations have never disclosed many details of the accord, and they were continuing to insist that their goal remained currency stability. The central banks bought dollars during the week, but with restraint, causing many economists and traders to conclude that the goal now was an orderly decline of the dollar. The dollar reached a postwar low of 137.20 yen and a seven-year low of 1.721 marks, rallied a bit, then steadied.

Stocks showed signs of healing. After a grim Monday that took the Dow Jones industrial average down 156 points, the Dow had three days of solid gains, including a 91-point advance on Thursday, and ended the week up 42.77, at 1,993.53. Perhaps even more encouraging, the buying spread beyond the blue chips to include thousands of the badly battered over-the- counter issues. Bargain-hunting no doubt accounted for much of the rise, but Wall Street also seemed relieved that officials in Washington were at least talking about the economy's problems.

Bond prices lost the momentum of the previous week's spectacular gains. Stronger stocks seemed to draw away money and there was uneasiness about the shifting relationships between the world's currency values and interest rates. Late in the week, the yield on the Treasury's long bond was slightly more than 9 percent and the three-month bill was yielding a bit above 5 percent.

Britain went ahead with its $12.2 billion sale of British Petroleum shares, despite pleas from underwriters and officials of foreign governments that it not send such a huge amount of stock into the troubled markets. The Thatcher Government moved to prop up the price by committing the Bank of England to buy back shares, for about $1.20 a share. The shares began trading Friday at about $1.50. However, the underwriters had paid $2.06 before the market collapse and they still face hefty losses. Four American firms — Goldman, Sachs; Salomon, Morgan Stanley and Shearson Lehman — are among the underwriters.

The reckoning from Black Monday began on Wall Street. L. F. Rothschild said it had lost $44 million this month and was seeking an infusion of capital. There was also talk that the firm was for sale. Charles Schwab, the discount broker, said it had suffered a $22 million loss, largely from one corporate customer's failure to meet margin calls. Santangelo & Company, an American Exchange specialist that handled volatile issues, was persuaded by the size of its losses to sell out to Spear, Leeds & Kellog, a larger specialist.

***Continental Illinois** will take a $90* million charge for losses of its recently acquired options clearinghouse unit. The fallout from that piece of news was particularly heavy in Washington where some Congressmen questioned what any bank, especially Continental, was doing in such a risky business. A costly bailout by Federal regulators saved Continental from failure three years ago.

The Westin hotel chain will be sold to a group that includes the Basses of Texas and the Aoki Corporation of Japan. The $1.53 billion deal is the last in a series of asset sales by the Allegis Corporation. The sales leave the company with United Airlines and $3.9 billion. Stockholders will get about $50 a share in a special distribution.

Beryl W. Sprinkel won't be leaving the White House after all. The chairman of the Council of Economic Advisers had resigned but will now be staying on indefinitely to help deal with the turbulence in the markets. His position is being elevated to Cabinet rank for the first time. Mr. Sprinkel has been the chief adviser for seven years and his economic views are known to differ from those of Treasury Secretary James A. Baker 3d. For one thing, Mr. Sprinkel would like to abandon efforts to manage exchange rates, preferring to let the dollar take its chances in the market place.

The leading indicators slipped in September by one-tenth of 1 percent, the first drop since January. Much of the decline came from a quirk in the workweek component, but the index was also pulled down by the weakening of stock prices that began in September. The stock plunge will undoubtedly deal a blow to the October index. In the past, three straight months of declines in the indicators have often heralded a recession ... Orders for durable goods rose 1.1 percent in September but sales of new homes fell 5.2 percent.

Steel showed its new-found vigor as USX, Bethlehem and LTV moved into the black for the third quarter, after losses in the 1986 period. Among the auto makers, G.M. avoided an operating loss by a change in accounting procedures, and reported that net income more than doubled. Ford profits rose 1 percent and Chrysler's 7.6 percent.

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED OCTOBER 30, 1987
(Consolidated)

Company	Sales	Last	Net Chng
South Co	37,178,300	21¼	– 1
AT&T	18,635,500	29⅝	+ 1
Gen El	14,444,900	47⅜	+ ⅜
Pin Wst	13,844,900	27¼	...
Brt Pt	13,180,400	17¼	...
A Exp	12,661,600	24½	– 2
IBM	12,198,400	122½	+ 1¾
Navistr	12,082,500	4¾	+ ¼
Temnco	11,428,200	44½	+ 2½
U Carb	10,980,600	21½	...
Exxon	10,734,800	42⅝	– 2¼
Ford M	10,250,400	75½	+ 2½
Chrys	8,551,600	26⅝	+ ⅛
Allegis	8,453,100	73½	+ 2¾
A El Pw	8,269,700	27⅛	– ⅝

MARKET DIARY

	Last Week	Prev. Week
Advances	893	253
Declines	1,129	1,908
Total Issues	2,190	2,208
New Highs	3	12
New Lows	794	1,516

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	1,410,041,600	48,283,680,358
Same Per. 1986	784,767,470	29,478,261,084

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	168.9	149.4	168.1	+3.27
Transp	120.7	107.4	120.5	–0.52
Utils	71.1	67.6	70.8	–0.32
Finance	120.9	112.0	120.9	–2.67
Composite	141.4	127.0	140.8	+1.58

Standard & Poor's

400 Indust	291.3	255.9	288.5	+6.49
20 Transp	193.1	169.2	191.1	–1.39
40 Utils	109.5	103.9	108.2	–1.33
40 Financial	24.1	21.8	23.3	–0.93
500 Stocks	254.0	226.2	251.7	+3.57

Dow Jones

30 Indust	2049.0	1767.7	1993.5	+42.77
20 Transp	776.7	662.0	757.2	–7.64
15 Utils	185.6	174.5	182.5	–1.01
65 Comb	751.0	654.2	732.2	+10.50

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED OCTOBER 30, 1987
(Consolidated)

Company	Sales	Last	Net Chng
TexAir	4,142,200	14	–1¾
WangB	3,965,400	11⅞	– ⅜
EchBay	2,896,500	19½	–1¼
HmeSh	2,572,900	6¼	+ ¼
Amdahl	2,315,700	30¾	+1¾
Alza	1,895,500	26⅛	+3⅛
LorTel	1,864,930	8	– ¼
BAT	1,779,100	7⅛	– ⅜
GCdaR	1,615,200	13¾	+ ⅛
WDigitl	1,525,400	16½	+ ⅞

MARKET DIARY

	Last Week	Prev. Week
Advances	308	55
Declined	625	971
Unchanged	107	22
Total Issues	1,040	1,048
New Highs	3	19
New Lows	487	646

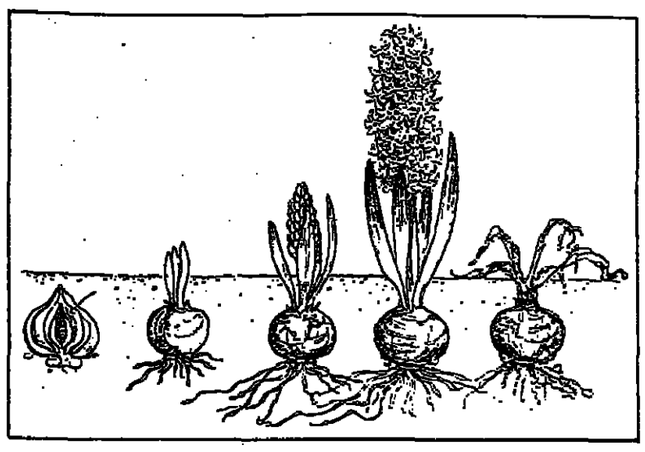
VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	103,240,445	2,985,298,550
Same Per. 1986	53,091,180	2,508,837,094

Make your African violets grow

Walter Frankl

GARDENER'S CORNER



One year in the life of a hyacinth bulb.

THE SUDDEN drop in temperature and the unexpectedly early downpours in late October have brought us to the start of the Israeli winter. Now and then, welcome blue skies and sunshine will help rid the earth of surplus moisture and make the soil in our gardens fit for working again. We should use every minute of these intermittent rainless periods to continue or complete outdoor gardening tasks.

Proper care of gardening equipment is essential. Unfortunately, however, too many amateur gardeners neglect their tools when they are finished with them for the season.

THE QUESTION I am most frequently asked is: Why won't my African violets bloom? Or: My African violets grow for a little while and then suddenly wilt and die. Why?

Actually, no magic is needed to get this highly desirable indoor plant to flourish. All that is needed is three basic essentials.

The first and most important is light. African violets require sun to bloom, and preferably morning sun. During our winter season with its short days, they should be able to catch all the sun there is as long as the light lasts,if possible from *November until late February.*

By early March, the sun becomes strong enough to burn the fleshy leaves. Then, a thin curtain may be needed to filter out some of the stronger rays, or the plants should be moved to a less sunny window. During late spring and all summer,a north window is to be preferred.

To supplement insufficient natural light in the winter, move your African violets under a reading lamp for a few hours each evening, placing plants 25-30 centimetres below the lamp.

THE SECOND condition is maintenance of sufficient humidity and proper temperature. As the days grow cooler in late autumn and you turn on the heating, the air progressively dries out. The lower buds will dry up or fail to develop at all.

To combat this, stand your plants on trays or saucers filled with moistened pebbles (use ordinary gravel or *tuff hagolan).* Mist the plants frequently with a fine spray at room temperature. This may be done several times a day.

But never allow the leaves to become wet when they are in full sun. African violets actually appreciate temperatures on the cool side – about 15-20 degrees at night and 25 during the day.

THE THIRD condition for the well-being of African violets is watering and feeding, which go hand in hand. In this case, too little is usually safer than too much. Always allow the plants to dry out somewhat between waterings. Then water well from the top until the water runs out from the drainage hole of the pot. Avoid wetting foliage and flowers.

If you prefer watering from beneath, set the pot in a saucer of water for not more than half an hour. Drain off any remaining water.

Feed your plants frequently (once a fortnight) with a very weak solution of soluble plant food.

You may take cuttings from a flourishing, healthy African violet in spring and insert them into a mixture of half each peat moss and vermiculite. In the sunny spring weather they will root easily and enrich your collection.

Just follow these simple rules and success will be yours.

EVERY TIME spring-flowering bulbs are mentioned, we think of the traditional trio, tulips, daffodils and hyacinths. They do, in fact, usually bloom at the same time, together with other, smaller bulbs like anemones, ranunculus, freesias etc. Planting hyacinths in your rockeries, flowerbeds, balcony containers or even as formal borders, will reward you in spring with an abundance of colour and beauty – in addition to unparalleled fragrance.

Set out bulbs in loose, light, soft, well-drained soil, about 12-14 cm. deep, leaving a space of 15 cm. between bulbs. Give them a thorough watering immediately. Once the danger of frost appears, mulch them with fallen leaves or pine needles. In spring, remove the mulch and feed with superphosphates to ensure full regeneration of the bulbs.

Anybody can teach a young dog old tricks

Furs, fins and feathers
by D'vora Ben Shaul

ALTHOUGH readers of this column regularly write in asking questions about every kind of pet from guppies to goats, most of the letters are about dogs and specifically about how to teach a dog the things it should know. In response to these queries, this is the first of a few articles about this subject. These articles are, rather, basic guidelines for the person who wants to raise and train his or her own dog either as a personal companion or as a family pet.

Training a dog can be fun and is definitely within the capabilities of any person who really wants to do so. It requires little equipment, about 20 minutes a day plus a considerable amount of patience and good humour.

The first consideration when acquiring a dog is the kind you will choose. Dogs come in such an amazing variety of breeds that there is a type, size and canine personality to suit almost anyone. But because the varied breeds are often very different, not only in appearance and size but in behavioural traits, including *easy trainability, it is very important* to choose the dog that suits the circumstances of those with whom it will live.

The choice is dependent on a number of factors including your living conditions, time available for early house-training, your age and *state of health as well as the ages of* other family members. For instance, if you are an elderly person (or couple) you would most likely be happiest with a dog that is not too large.

On the other hand, if there are small children in the house then larger breeds are much to be preferred. I think the dog should (when grown) be larger than the smallest children. Large dogs are less likely to be frightened by the clumsy attentions of a child and therefore far less likely to snap. They are also far less likely to be hurt by the little ones' ministrations which may be well meant but not always wise.

As a general rule, the working breeds such as German shepherd, collie, Puli, Belgian shepherd, Old English sheep dog, border collie, Labrador or golden retriever, boxer, Caanani and the like, are the easiest to train. The reason is simple. These dogs have been bred for centuries as companions and working animals and their greatest value lay in their easy trainability to a variety of commands.

The hunting breeds like pointers, setters and most hounds are a bit harder to train but they do make lively and tireless companions for active children. In general they are more inclined to want to run and get their exercise.

YOU HAVE TO think about whether you are willing to devote the necessary time to grooming a dog with a long coat, for an ill-groomed long-haired dog is a miserable animal and often gets serious skin disorders that may even threaten his health and life. If you do not have the time or inclination for this then you should not even consider taking a collie or Old English sheep dog or the like, but would be advised to choose a short-haired breed like a shepherd or even a smooth-haired breed like the boxer.

As to size, it is not true that if your home is small the dog should be a small breed. As a matter of fact, once they are grown up a boxer is quieter, less imposing and seems to take less room than a terrier. Many of the smaller breeds are very active even when older and as one friend put it, "when there's a terrier in the house, even a small one, the house is suddenly 'full of dogs'."

Although an awful lot of people think automatically of the German shepherd when considering a large family dog, this is not in every case the perfect choice. This breed, my own all-time favourite, is often much too energetic a watch dog for people in the city. Unless the dog is with a responsible person it just may be too jealous of its people and property for your comfort. I know that many families have found that the Labrador or the golden retriever or the boxer are perfectly adequate home dogs, do a satisfactory job of guarding the property as well and are not so likely to get carried away by their guarding instincts. For the same reason, while Dobermans are perfect dogs for many single people or for adults, or even for a family with a child if supervision is adequate, they are not always the ideal companion for young children.

In any case, whatever your choice, pick a healthy puppy from healthy parents. And most especially, never accept a pup less than seven weeks old.

British-Zionist historian: Balfour Declaration a miracle

By DAVID HOROVITZ, Jerusalem Post Correspondent

LONDON. – Seventy years after the event, Anglo-Zionist historian Dr. Schneier Levenberg is still marvelling at the fact that the Balfour Declaration was ever issued at all.

"*In the context of* 1917, *the* Declaration was nothing short of a miracle. It marked the first time that a government had expressed sympathy with Jewish-Zionist aspirations, the first time that the Jews had been acknowledged as a "people," with the right to a national homeland, the first time that a government had offered a promise of assistance towards the establishment of a homeland. The declaration was altogether remarkable, and the more so when you consider how even the Anglo-Jewish leadership of the day opposed it."

Parliamentarian Herbert Samuel – later the first high commissioner for Palestine – brought up the idea in 1914, to the utter amazement of Zionist leaders.

"Samuel was Jewish, of course," notes Levenberg, "but he was widely considered to be an assimilated Jew, a Nigel Lawson of his day, if you like.

"Yet after Turkey had allied itself with the Germans in 1914, he raised the prospect of the British helping *Jews to return to Palestine, arguing* that it would give Britain a foothold in the Middle East."

Asquith, the prime minister of the day, was none too impressed by this thinking, and considered that the normally pragmatic Samuel had taken leave of his senses. But David Lloyd George felt rather differently, and when he became prime minister in 1916 he began moving towards the policy Samuel had advocated.

The Jewish community, or at least its leaders, were more than a little disconcerted by this turn of events.

"The Board of Deputies (British Jewry's foremost representative organization) took the line that England's Jews were Englishmen first, Jews second," says Levenberg. "These were rich, prosperous gentleman, who had no objection to poor Jews going to Palestine, but who were firmly against the establishment of a Jewish state, because they believed it would affect their rights as Jews here, breeding anti-Semitism and accusations of dual loyalties."

*Edward Montague, a Jewish cabi*net minister, argued vehemently with Lloyd George and Balfour, telling them that he considered British support for a Jewish state a personal insult. "The way he saw it, he was being asked to go back to the ghetto."

In May 1917, the Board of Deputies and the Anglo-Jewish Association sent a joint letter to *The Times,* signed by the respective presidents David Alexander and Claude Montefiore, rejecting the idea of a Jewish homeland and denying the idea of Jewish peoplehood.

Inside the Board of Deputies, the letter led to a call for Alexander's resignation, and he was voted out of office by the narrow majority of 56-51. As Levenberg notes, however, that vote did not really amount to a pledge of support for the Jewish homeland, since many who called for Alexander's ouster simply disliked him personally, or were aggrieved *that they hadn't been con*sulted before the letter was sent.

The Jewish anti-Zionists did not slink quietly away. They formed a new organization, the League of British Jews, and continued campaigning against the Jewish homeland.

The belief that a foothold in the Middle East would be useful, of course, was not the only motivation for the pro-Zionist British policy.

"It seems that the British government had an exaggerated notion of the influence of the Jewish lobby in America, and believed that if it won the support of U.S. Jews – by advocating a Jewish state – that lobby would put pressure on the U.S. government to come to the aid of Britain. It realized that only a major *concession could woo the U.S. away* from support for the Germans, who were battling tsarist Russia."

Historically, too, Britain had always been interested in the biblical Jewish presence in Palestine.

"Since the Reformation of the 16th century," says Levenberg, "the Bible had been an important factor in English literature: just look at the work of Byron, George Eliot, or even the novels of Disraeli."

Balfour's own image was not 100 per cent pro-Jewish – he had been prime minister in the early years of the century, when the Aliens Act restricting Jewish immigration was passed. But he respected the Jewish race and its potential, and after a meeting in June 1917 with Chaim Weizmann, he agreed that the British government should issue a declaration supporting and encouraging the Jews of Palestine.

The final statement, issued after a series of drafts and amendments, was not, of course, the end of the matter. It took four more years until the League of Nations entrusted Britain with the responsibility for implementing the Declaration.

But without that November 2 letter, typed on nondescript, unheaded paper, there would have been no Mandate, and no case for Jewish immigration to Palestine.

Out of a population of 700,000 in Palestine in November 1917, there were just 65,000 Jews. By 1939 that number had grown to 450,000.

Millionaires on show

Post Sports Staff

At a time when plutocrats are seeing their fortunes disappear into that never-never-land where stock exchange wealth goes during crashes, it is a great relief to know that the stock of "The Millionaires" is as unshakable as the rock of Gibraltar.

This is not a reference to mere families like the Rothschilds or Rockefellers, who are reputed to be fairly well off, but to the players in the Everton soccer team, who are nicknamed "The Millionaires".

This is no wonder, for there is not a player in the side who is not worth his weight in gold. Just imagine how much money Everton could collect by selling such stars as Neville Southall, Trevor Steven, Gary Stevens, Graham Sharp, Peter Reid, Adrian Heath and Wayne Clark, all of them internationals. Last year they won the league championship with ease, and got to the final of the League Cup, where they were deprived of the league and cup double by an inspired Coventry City side.

Israeli soccer fans will have a chance to see these fabulous stars in the flesh tomorrow at Bloomfield, where Everton encounter Betar Jerusalem. The fans will have the extra joy of knowing that all the shekels they pay for gate money are to go to Abie Nathan's latest good cause, the Village of Good Hope, a planned rehabilitation centre for drug addicts.

SOCCER

Eli's answer - a hat-trick

Post Sports Staff

Two Israeli footballers, who are playing in Belgium, had wonderful weekends. Eli Ohana is beginning to find his shooting boots, and he cracked in a hat-trick in Malines' 3-2 victory over second division Berchem in a Belgian Cup match.

Eli was clearly responding to published remarks in a local paper by club coach Ed Moessin in which he warned that, unless the Israeli forward shrugged off his "inexplicable lethargy on the pitch" he might find himself back on the bench very soon.

In a spirited response, Eli popped two goals into the opponents' net within 10 minutes of kick-off. Then, for good measure, he scored the winner four minutes from time, after the lower division team had equalized at 2-2.

Ronnie Rosenthal also had a good day, scoring in the final minute as his club Bruges defeated another second division outfit, Hasselt, 4-1. The former Maccabi Haifa striker was brought on for the final half-hour and turned in a rousing performance, which increases his chances of getting a game in Bruges' important UEFA Cup second leg match against Red Star Belgrade next week.

TENNIS

Lendl still prospecting

ANTWERP (Reuter) - World number one Ivan Lendl recovered from losing a stormy first set to beat fellow-Czechoslovak Miloslav Mecir in *the final of the* $950,000 *European* Community tennis championship yesterday.

Lendl's 5-7, 6-1, 6-4, 6-3 victory was his fourth in the six-year history of the world's richest one-week tournament, putting him one-third of the way towards winning a second 18-carat gold racket encrusted with diamonds.

After a tense and sometimes brilliant final which lasted three hours 18 minutes, Lendl was allowed to hold the trophy briefly – along with a winner's cheque for $215,000.

Mecir, runner-up last year to John McEnroe, ran the top seed ragged in the opening set with a barrage of devastating groundstrokes and delicate drop volleys.

Lendl exploded in rage after being warned for delaying play in the sixth game and promptly dropped his serve.

Mecir went on to take the set 7-5. Then Lendl recovered some of his composure, rattled through the second *set 6-1 and always looked the* more likely winner after that.

In Hong Kong, third-seeded American Eliot Teltscher beat John Fitzgerald of Australia 6-7, 3-6, 6-1, 6-2, 7-5 in the final of the $200,000 Hong Kong Grand Prix tournament.

Gilad's in in Paris

By JACK LEON

TEL AVIV.- Israel's unseeded Gilad Bloom yesterday scored one of the finest wins of his career when he upset Austrian Horst Skoff, the top seed, in the third and final singles qualifying round of the $800,000 Paris Grand Prix indoor tennis tournament.

Skoff, 19, who is his country's No. 2 Davis Cup singles player, is currently 58 in the ATP world singles rankings, exacty 60 places higher than Bloom.

But, while Bloom was upsetting the form book to go through to the 32-strong star studded main draw, Shlomo Glickstein bowed out in the first qualifying round to Australian Peter Doohan, seeded second in the qualifying event.

Bloom will join Amos Mansdorf today for the *start of the second annual* Paris tennis extravaganza.

SOCCER

Reds' revenge

LONDON. (Reuter). - Two excellent goals created by the artistry of England winger John Barnes brought Liverpool a 2-0 win over Merseyside rivals Everton and swept them back to the top of the English First Division yesterday.

Barnes shook off tight marking by the Everton defence to provide midfielder Steve McMahon and striker Peter Beardsley with goals after 35 *and 70 minutes, as Liverpool exact*ed a full measure of revenge for their League Cup defeat in midweek.

The victory lifted Liverpool two points clear of Arsenal with two matches in hand and maintained their unbeaten record in league games this season.

TRIATHLON

BY JACK LEON

TEL AVIV. - Six specially-invited men and women champion triathletes from Europe will be among at least 40 overseas entries in the $10,000 "Isrotel" International Triathlon, taking place in Eilat on November 28. Some 50 local athletes are also expected for what will be the first major meet in the three-discipline sport of swimming, cycling and running to take place in Israel.

The "Olympic-standard" triathlon will comprise a 1½-km swim in the Gulf of Eilat, a 40-km cycle race in the Arava and a 10-km run along the seafront, the event's director Trevor Traube told me yesterday. The race is organized by the recently-formed Israel Triathlon Association, the Eilat Municipality and the resort's Hotel Association.

The planned annual meet will inaugurate an ambitious programme aimed at putting Eilat on the triathlon map, Taube reported. The programme envisages the resort town as venue of a winter training camp for European triathletes sidelined by their inclement weather back home, as well as host to international com*petition in the sport.*

The triathlon made its bow in Israel in 1985 and three races have already been held this year - between them attracting about 450 participants. Following the "Isrotel" meet, the local Triathlon Association is to apply for membership of the 20-nation European Triathlon Union, association chairman Uzi Ron said yesterday.

BOXING - Thomas "Hit Man" Hearns knocked out Argentinian Juan Domingo Roldan in a WBC world middleweight fight to become the first boxer in history to win four world titles on Thursday night.

NHL - Saturday's games: New York Islanders 8, New York Rangers 2; Hartford 7, Philadelphia 4; ot-Pittsburgh 5, Quebec 4; New Jersey 6, Edmonton 5; ot-Boston 3, Montreal 3; Toronto 6, Chicago 5; ot-Washington 3, Minnesota 3; ot-Detroit 3, St. Louis 3.

NEW YORK MARATHON - A confident Ibrahim Hussein of Kenya caught early pacesetter Pat Petersen shortly past the 14-mile (22.5-km) point and coasted to victory yesterday in the 18th New York City Marathon.

Hussein, ninth in the 1985 race in his marathon debut and fifth last year, was timed unofficially in 2 hours, 11 minutes, 1 second.

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Education, Youth and Culture Administration

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Sunday, November 8, 1987, at 8 p.m., at Sha'ar Zion Library, Beit Ariella, 25 Sderot Shaul Hamelech, Tel Aviv.

Professor Hans Wolfshitz, University of Frankfurt-on-Main, on the work of MANS SPERBER.
Milo Sperber (brother of the writer) will read from:

"Wie eine Träne in Ozean",
"All das Vergangene",
"Churban oder Die unfassbare Gewissheit",
"Zur Analyse der Tyrannis".

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Moderator: **Judi Widetsky,** Secretary, World Labour Zionist Movement

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Japan wants bigger economic say

By RICH MILLER

TOKYO (Reuter).-- Japan, shocked by the reaction of financial markets to what it sees as irresponsible U.S. policy, seems to have decided that now is the time to end American hegemony in the world's monetary system, Western diplomats and economists say.

After years of tacitly following Washington's lead, Tokyo is just now beginning to flex its muscles as the world's largest creditor nation, calling for a more even distribution of economic power among itself, America and West Germany.

Japanese Vice-Finance Minister Toyoo Gyohten said last week that the time had come to move away from the dollar-based world currency system to one more evenly balanced on the Japanese and European currencies as well.

Expressing what he said was a personal opinion, Bank of Japan deputy-governor Takeshi Ohta said recent gyrations in world stock markets had raised serious questions about the current world monetary system based on the dollar.

Faced with a financial crisis such as that in the past two weeks, reliance on one currency had been shown to be potentially dangerous, he said.

Japanese officials said the present monetary system had allowed the United States to run up huge amounts of debt by living off the savings of the rest of the world, particularly Japan. Because it has been at the centre of world economic policy-making, Washington had been able to postpone the day of reckoning for spending more than it saves until this month's abrupt collapse on Wall Street, they said.

But now both the Reagan administration and the U.S. Congress have been forced to the negotiating table to tackle the huge U.S. budget deficit that is increasingly seen as the source of most of the world's economic ills.

Indicative of the tougher stance being taken by Japan, Prime Minister Yasuhiro Nakasone said last week that Washington must first come to grips with its budget deficit before major nations can meet to discuss the problem of collapsing stock markets and a plunging dollar.

His attitude differed markedly from that adopted by Tokyo in the past, when the slightest sign of a weaker dollar was enough to send a Japanese minister scurrying to Washington for talks.

In a farewell party for foreign journalists, Nakasone, who is due to step down as prime minister, also ominously called attention to the U.S. position as the world's biggest debtor nation.

Because of the premier role the dollar enjoys in the world monetary system, Washington has been able to rack up huge amounts of overseas debts without having to meet the stiff economic conditions demanded of other debtor nations, such as Brazil, Japanese officials said.

It has also been able to borrow abroad in its native currency, another privilege not enjoyed by its Latin American neighbours.

Because it has been able to accumulate a colossal overseas debt in its own currency, Washington now has the option of devaluing that debt by countenancing a fall of the dollar and/or a rise in domestic inflation that might ultimately spread worldwide.

Fears that the United States might opt for such an easy way out has convinced Japan's finance ministry not to specifically instruct its huge investors to participate at next week's auction of $23.75 billion of U.S. government debt, a senior ministry official said.

This marks a shift away from the ministry's position in May, when it urged investors to participate in the U.S. treasury's quarterly auctions to avoid a dollar collapse, the official said. Gyohten said Tokyo recognised that a shift away from a dollar-based monetary system meant that it would have to take on greater responsibility in managing the world economy.

Whatever new system emerges, Japan cannot simply sit back and benefit as it did under the old Bretton Woods system of fixed exchange rates, he said.

Japan would have to help manage the system and governments would have to make stable currency rates a major objective of their financial policies, Gyohten added.

Israel and Spain make tourism history in J'lem

By GREER FAY CASHMAN
Jerusalem Post Reporter

History was made in Jerusalem yesterday with the signing of a tourism agreement between Spain and Israel which centres on joint promotional activities. Spain's Tourism Minister Abel Ramon Caballero Alvarez disclosed at a press conference prior to the signing ceremony that this was the first bilateral agreement of its kind that Spain had reached with any country.

Caballero, who is also his country's Minister of Transport and Communications, said that 8 per cent of Spain's economy is based on tourism. Each year, an estimated 50 million tourists visit Spain and contribute $15,000 million to Spain's national income.

Israel and Spain will conduct joint promotional activities in the United States and Latin America. Spain is particularly keen to attract the North American market, because on average North American tourists are much bigger spenders than tourists from other countries. Although tourism to Israel is less than one twenty-fifth of the tourist traffic flow to Spain, earnings per capita are much higher, due to the comparatively high ratio of American visitors to this country.

Confident that the agreement will strengthen the relationship between Spain and Israel, Caballero said "we have great expectations."

Tourism Minister Avraham Sharir, who will pay a reciprocal visit to Spain, emphasized the significance of the agreement in smoothing over the scars of ancient wounds, and said that it was an important new chapter in people to people relations between Israel and Spain.

Jordan cracking down on illegal foreign workers from Arab states

By ALISTAIR LYON

AMMAN (Reuter).-- Two months ago, Lutfi Minyawi's three workmates at an Amman petrol station were Egyptians like himself. Now Jordanians are washing cars and manning the pumps.

"The police came to my nephew's house and gave him three days to leave because he had no work permit," said Minyawi, 24, from Mansoura, in lower Egypt. "My permit is good for another year, but I read in the newspaper they will not renew it." To counter rising unemployment, Jordan is cracking down on illegal foreign workers, most of them from Egypt, and is trying to encourage Jordanian job-seekers to lower their sights.

Unemployment in Jordan has worsened as growing numbers of well-educated youngsters find opportunities curbed by sluggish economic growth at home and a downturn in Gulf economies.

Economists say that while Jordan has so far avoided a mass return of its 325,000 citizens working abroad, the Gulf is no longer creating new jobs for Jordanians to fill.

"We had a built-in migration system," said Mohammed Abdul Hadi, head of the Labour Ministry's research department.

"We educated our kids to be engineers and doctors to satisfy Gulf demand and get high salaries. Now the door is partly closed and pressure is on the Jordanian labour market." He said a Jordanian wage-earner supports five people on average, the world's highest dependency ratio. The average is one to three in developing nations and one to two in the West.

Accurate employment figures are elusive, partly because it is unclear how female joblessness is gauged and because underemployment cannot be accurately assessed, diplomats say.

Labour Minister Khaled al-Haj Hassan said 40,000 Jordanians, including 16,000 women, were out of work, three-quarters of them high school, college or university graduates.

Officials say a third of Jordan's 2.8 million people are in the education system and more than half are aged below 15.

Some officials say about 55,000 are jobless, or 10 per cent of the workforce, and say the 3.9 per cent population growth brings 30,000 to 35,000 new entrants into the labour market each year.

This year only 25,000 will find jobs, one official predicted.

"These are not landless, illiterate peasants," a Western diplomat said. "They are skilled people and could get organised. It's a recipe for social unrest, though none exists now." He said unemployment could rise to 14 per cent in the next two years, or higher if more was not done to create jobs by stimulating the private sector. The government and armed forces already employ about half the workforce, he added.

Labour Minister Hassan said at least 80,000 foreigners, including 70,000 Egyptians and 10,000 Syrians, were working illegally in Jordan and faced deportation.

He told reporters 4,000 foreign workers were expelled between July 22, when the crackdown began, and mid-October.

Egyptian workers flooded their embassy with complaints, Ambassador Ihab Wahba said. "We had many calls, some said they had no time to collect wages owed to them, others said they had seen their friends pushed into trucks and taken away."

Wahba said he was happy with assurances from public security department chief Abdul-hadi Majali, the labour minister and other officials that deportees would not be harrassed or ill-treated. "They promised to investigate complaints," he said.

Hassan said cases of mistreatment were rare and attributed them to "individual mistakes." He said Jordan appreciated the contribution of foreign workers to its economy and would go on employing them where no Jordanian substitutes could be found.

Police chief Majali said unemployment had led to more crime. "We noticed an increase in crime in recent months caused by the presence of too many people without work, especially immigrants. We consider those here with no work permits, no work and no money to be a serious security risk." He said reports of abuse by security men were exaggerated.

"We hired air-conditioned buses, not trucks. We discovered three or four cases of rough treatment at security centres and punished the soldiers in front of those who had complained."

According to the central bank, foreigners sent home earnings worth more than $250 million last year, compared to $1.2 billion repatriated by Jordanians working abroad.

Official figures show that Egyptians working in service industries or on farms and building sites received about three- quarters of the 98,000 work permits issued last year. The total is more than triple the 30,000 permits granted in 1978.

More than one-fifth of the 48,000 permits issued from January to August this year went to Asians, mainly Filipino or Sri Lankan maids who work in middle-class homes.

Egyptians and Syrians need no entry or residence permits, which makes the flow of job-hungry migrants hard to monitor.

"Syrians doing manual work here can earn five times what a government clerk gets in Damascus," a Jordanian economist said.

CURRENCY MARKETS

No end in sight for the fall in the dollar

The U.S. dollar continued its decline, reaching a seven-year low against some of the major currencies. At one point, the dollar slumped to 1.7220 marks which spurred the Federal Reserve Bank to follow other central banks in buying dollars on the open markets. Other central banks which intervened to support the dollar were the Swiss, Italian, Spanish and the Bundesbank. Some banks sold some of their gold holdings which gave them greater liquidity to support the dollar. During the week a European Community official said that Washington was ready to let the dollar fall to 1.60 marks but the U.S. Treasury denied this.

Speculation also continues that the Group of Seven are prepared to accept an orderly decline in the dollar. The U.S. dollar also came under pressure from an increase in the West German monthly trade surplus to 11.5 billion marks compared with 6.5b. marks last month.

The currency markets did not show any positive response to the unexpectedly large 3.8 per cent rise in the third-quarter U.S. Gross National Product. This figure was overlooked in the light of the stock market plunge. The loss of wealth following the stock market crash will slow growth considerably.

Over the weekend, European monetary system members discussed what steps are needed to adjust the system to the tumbling dollar.

Forecasted moves--It now seems that the U.S. government may feel it is an opportune time for the dollar to fall, especially if the decline forces its major trading partners to spur domestic economic growth. While White House and Congress officials discussed cuts in the federal budget, the $23b. cut currently being considered by Congress is regarded as not sufficient enough to reassure jittery financial markets. The dollar seems likely to reach much lower levels over a period of time.

The column appears courtesy of Boaz Barak Advisory Service.

The freelance union

By GREER FAY CASHMAN
Jerusalem Post Reporter

Only members of the National Union of Television Crews will be allowed to work as television technicians at the Second Channel Authority, once the SCA becomes a legal entity, says NUTC chairman Eli Fastman.

The union is an organization for freelance television technicians and of its 200 members, 54 are in a special preparatory division readying itself for the advent of the Second Channel. The remaining members work for foreign networks stationed in Israel.

The NUTC unlike the Israel Broadcasting Authority, makes a sharp distinction between journalists and what NUTC director Yehuda Drori terms "television technicians." Editors, cameramen and soundmen are all classified in the latter category, because explains Drori, "unlike journalists, they are not decision makers."

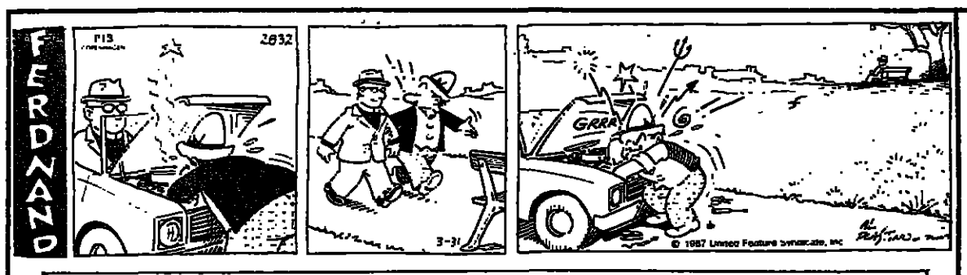
The NUTC last week passed a new by-law forbidding its members to be strike breakers anywhere in the world without getting written permission from the NUTC executive. This follows the despatch of four Israeli television crews to the U.S. and two to Europe to work for NBC, which like all other American networks has been trying to find ways around the strike by NABET, the National Association of Broadcasting Engineers and Technicians.

As a trade union organisation, the NUTC discourages any activities which would be detrimental to colleagues in Israel or abroad, especially in view of its own hard-won battle to bar foreign television technicians from getting work permits in Israel.

During Israel Peleg's term as director of the Government Press Office, press cards were issued freely to foreign cameramen and soundmen, and Peleg recommended to the Interior Ministry that such visitors to the country be furnished with work permits. The NUTC was up in arms, claiming that this took bread out of the mouths of their members. They lobbied their case all the way to the Prime Minister's Office where it was treated with sympathy and understanding.

It is understood that a directive will be given to Peleg's successor not to recommend work permits or to issue press cards to foreign cameramen and soundmen who may be depriving Israelis of an income.

The NUTC has also provided retraining programmes for soundmen as a preventive measure against redundancy in an ever progresive era of advanced technology.



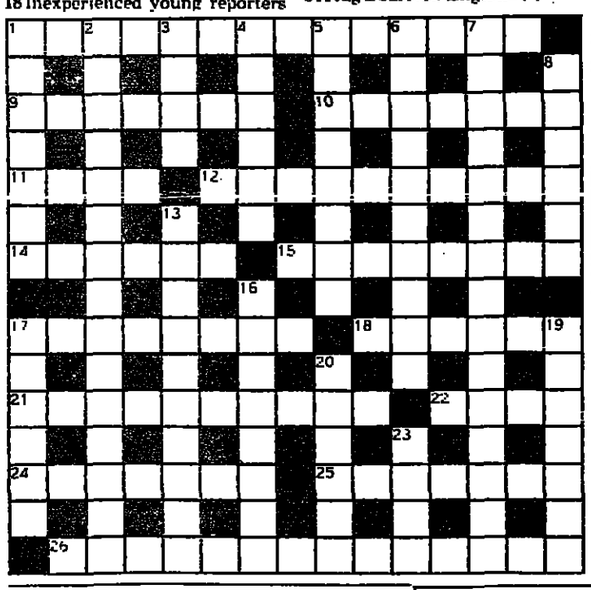
CROSSWORD

ACROSS

1 Dunderheads tearing up the grisly bills (5,9)
9 Old Gaelic lake-dwelling that makes Ann go back after credit (7)
10 Payments torn from a student at Stourhead (7)
11 Unwatered stock... (4)
12 ...freely distributed to investors (5,5)
14 Boy about to pocket a ball with unerring accuracy (4-2)
15 What footballers should be when they are thinking of marriage (5,3)
17 Fight to include a Sussex abbey in a tourist itinerary? (2,6)
18 Inexperienced young reporters describing an island folk in the Caribbean (6)
21 Fresh clue to go on? (5,5)
22 I go round after a discount on foreign bills (4)
24 Distinctive garb that never varies (7)
25 A tower of strength on the farm, maybe (7)
26 Official responsible for man who has been arrested? (6,2,6)

DOWN

1 An insect's cutting lines (7)
2 What the amphibian can do without being hypocritical (4,1,6,4)
3 A tug from New England (4)
4 A willing disposition? (6)
5 The most rudimentary of Zola's novels? (8)
6 A sporting bunch of racketeers! (6,4)
7 Does it take pride to cause such amusement? (5,2,8)
8 Agree when despatched, from the sound of it (6)
13 Pompously solemn canvas shelter with permeable coverage (10)
16 An outspoken llanero? (5,3)
17 Primitive canoe discovered by an archaeological expedition? (3-3)
19 Military leader getting out a swell whip for punishment (7)
20 Bleach when it goes in (6)
23 What we put on the plate when in church? (4)

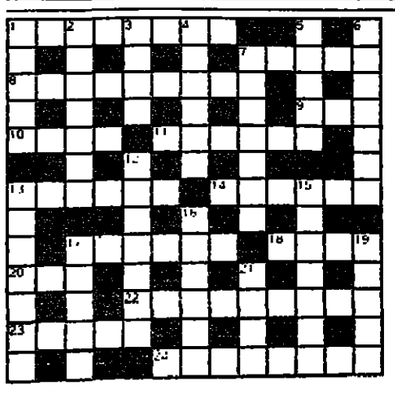


Yesterday's Solution



QUICK SOLUTION

ACROSS: 1 Throne, 4 About, 8 Uncle, 9 Rooster, 10 Trilled, 11 Onus, 12 End, 14 Mess, 15 Only, 18 Set, 21 Tome, 23 Wrangle, 25 Artless, 26 Irate, 27 Nasty, 28 Insert. DOWN: 1 Trusty, 2 Receive, 3 Needless, 4 Atop, 5 Often, 6 Thrust, 7 Crude, 13 Donation, 16 Luggage, 17 Strain, 19 Twist, 20 Desert, 22 Myths, 24 Rely.



QUICK CROSSWORD

ACROSS

1 Velocipedes (8)
7 Muddle (5)
8 Surreptitious (9)
9 Furrow (3)
10 Girl's name (4)
11 Take for granted (6)
13 Minor earthquake (6)
14 Needlework (6)
17 Fine parchment (6)
18 Hare's tail (4)
20 Mineral spring (3)
22 Reduction of money supply (9)
23 Banishment (5)
24 Sapper (8)

DOWN

1 Beast (5)
2 Modulation of voice (7)
3 Remedy (4)
4 Pass by (6)
5 Worship (5)
6 Assembly (7)
7 Cited as evidence (7)
12 Crash (7)
13 Racing tout (7)
15 Slope (7)
16 Teacake (6)
17 Insipid (5)
19 General purport (5)
21 Hackney carriage (4)

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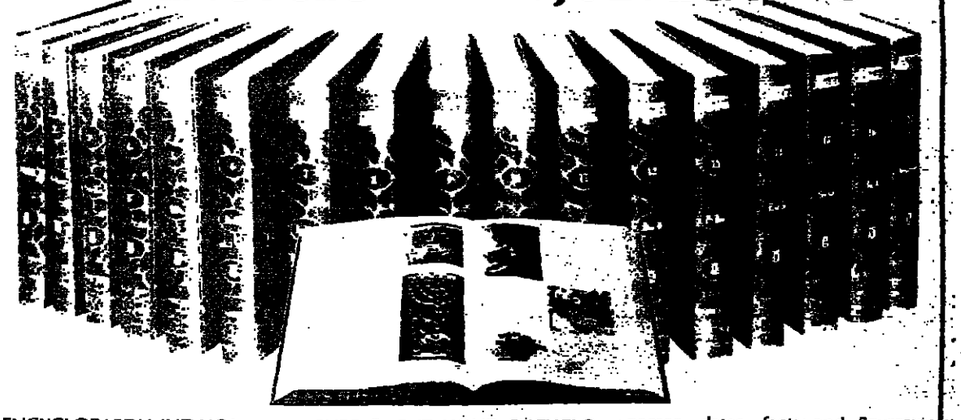
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Ashkelon 23333	Kiron 344442
Bat Yam *5511111	Kiryat Shmona *944334
Beersheba 74767	Nahariya *823333
Carmiel *988555	Netanya *23333
Dan Region *781111	Petah Tikva *9231111
Eilat 72333	Rehovot *451333
Hadera *22333	Rishon LeZion *42333
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French experts advise

Spend money on railroads

By JONATHAN KARP

"It's a splendid trip; the contryside is *magnifique*," a visiting French railroad official said recently as the train wound its way up Nahal Sorek to Jerusalem. "Unfortunately, though, it still cannot compete with the highways here."

Jean-Philippe Bernard's lament is also his inspiration. As director of international cooperation for SNCF, the French national railway, Bernard headed a delegation which came here to look into potential joint ventures with Israel Railways (IR).

During its stay, the group of experts inspected three lines which the ailing Israel Railways plans to build or improve: south to Nahal Zin, from where the line to Eilat would continue; Haifa-Tel Aviv; and Beit Shemesh-Jerusalem.

The French expressed particular interest in developing a fast train between the capital and Tel Aviv. A TGV, *Tres Grande Vitesse* -- France's version of the bullet train -- it won't be, but Bernard indicated that it would be possible to make the trip competitive and attractive enough to reopen the line.

Israel Railways closed the Jerusalem-Tel Aviv route last year, for lack of demand. But railway officials, who note that the line first opened back in 1892, do not want it to lie dormant through its centennial, just five years away. They also find it fitting that the French are now interested in modernizing the track that they originally built.

Eliahu Barak, general-manager of Israel Railways, took advantage of the train ride to point out some of the changes being planned to shorten the Jerusalem-Tel Aviv track by some 10 kilometres and reduce travel time to 50 minutes, the same as a bus trip.

"There are currently 160 curves along the route," he said. "We are hoping to blast three tunnels and remove 120 of these. Many of the remaining 40 curves will be made more gradual."

Though a number of alternatives are still under consideration, the estimated cost of the new project is $45-$50 million, Barak said. The total bill for IR's top five projects: Jerusalem-Tel Aviv, Tel Aviv-Haifa, Nahal Zin-Eilat, and two suburban train networks, in Tel Aviv and Haifa, comes to some $390m.

With a current annual budget of only $30m., and delays blocking its merger with the Israel Ports Authority, the railway has had to turn to foreign investors for assistance. White Industries, a huge Australian firm, for example, has already presented an initial proposal for building the track to Eilat.

The government, officials note, must also commit funds to develop an effective rail network. "Israel must give some thought to the railroad. It needs to improve its passenger service," Bernard said, thus becoming the latest on a list of visiting experts who think that Israeli policymakers have failed to recognize the direction their European counterparts are taking.

But France, too, had to be awakened to the advantages of the railroad, Bernard said. "For 25 years after World War II, we gave priority to the roads and there was a big increase in private car ownership. The turn around occurred 15 years ago, when we realized that developing the bighways would not solve all our problems."

Bernard said that the French government railway decided to combat road congestion in two ways, first by developing a short-distance, commuter train network. They currently spend $200m. per year on the rail system in the Paris area. The second goal was to create longer-distance, high-speed lines such as the TGV. The Paris-Lyon route opened six years ago; the second route, to western and south-western France, is to open in 1989; and the third, a $4 billion line which will run to the north and link up with the proposed English Channel tunnel, was approved a few weeks ago, he said.

Unnecessary W. Bank funds

BY AVI TEMKIN
Post Economic Reporter

Economics Ministry director-general Moshe Dovrat yesterday condemned the Industry and Trade Ministry's Investment Authority's decision to invest most of its remaining budget for this year on industrial buildings in two West Bank settlements.

The Investment Authority decided yesterday to allocate its funds to Barkan and Kiryat Arba. The former will receive funds for the construction of 25,000 square metres of industrial buildings while the latter's allocation will be for 7,500 sq.m.

Dovrat protested this decision, since, he said, its implementation would go against the priniciple of investment diversification. He said the concentration of investments in the two settlements should be viewed with concern. Dovrat added that the funds should have been allocated to development areas hit by unemployment.

The Economics Ministry said that even before the authority's decision there are 62,000 sq.m. of industrial buildings in construction at Barkan, and another 10,000 sq. m. have been already been built.

The stock situation around the world

The following table shows the all-time peaks of the indices of major world stock exchanges and how stock values have fared since the recent market slump.

From left to right, the table shows each index's all-time peak (with date), the Wednesday, October 14 close, the lowest close since October 14 (with date), the close at the end of this week, and the percentage drop between October 14 and October 30.

Exchange	Peak	Oct. 14	Post-Oct.14	Oct. 30	Drop
NEW YORK	2,722.42 (Aug 25)	2,412.70	1,738.41 (Oct 19)	1,993.53	17.4%
LONDON	2,443.4 (Jul 16)	2,322.9	1,658.4 (Oct 28)	1,749.8	24.7%
TOKYO	26,646.43 (Oct 14)	26,646.43	21,910.08 (Oct 20)	22,765.04	14.5%
FRANKFURT	753.9 (Apr 17, 1986)	633.52	468.21 (Oct 29)	497.05	21.5%
PARIS	460.4 (Mar 26)	387.2	293.6 (Oct 29)	311.4	19.6%
SYDNEY	2,312.4 (Sep 21)	2,184.9	1,285.0 (Oct 29)	1,292.1	40.8%
HONGKONG	3,939.73 (Oct 1)	3,844.48	2,204.52 (Oct 29)	2,240.13	41.7%

Tel Aviv Stock Exchange

Indexes

General Share	25 Shares	General Bond
122.45 2.20%	141.25 5.79%	122.43 0.63%

Shares Movements

Advances	Unchanged	Declines
330	68	23

Selected Prices

Name	Price	Volume NIS	% change
Commercial Banks (not part of arrangement)			
OHH	21300	–	–
Maritime 0.1	n.t.		
General non-arr.	15659	768	+10.0
FIBI	8880	3970	+6.2
Commercial Banks (part of arrangement)			
IDB	101400	342	–
Union 0.1	n.t.		
Discount	129800	131	+0.1
Mizrahi	41720	1164	+0.0
Hapoalim r	66324	1455	+0.5
General A	176400	5	+0.1
Leumi 100.0	43780	2782	–
Fin. Trade	58150	14	-1.2
Mortgage Banks & Finance			
Leumi Mort. r	8700	73	–
Dev. Mort.	2401	1518	+5.3
Mishkan r	3480	847	+6.1
Tefahot r	19740	126	–
Merav r	7700	2	+8.9
Leumi Ind.	12639	321	+10.0
Clal Leasing 0.1	23399	50	+8.3
Insurance			
Ararat 0.1 r	1146	2021	+8.0
Phoenix 0.1	774	1069	–
Hamishmar 1.0	5590	97	+4.7
Menorah 1	1850	–	–
Sahar r	400	10826	+4.4
Securitas	1063	1030	+4.8
Zion Hold. 1	5300	–	–
Trade & Services			
Integrama 1.0	883	3149	+3.3
Meir Ezra	940	4283	+5.6
Crystal	733	1348	+4.3
Supersol a	6000	1446	–
Lighterage 0.1	838	2682	+10.0
Cold Storage 1.0	1010	1175	+4.7
Dan Hotels 1.0	1500	1054	+7.1
Coral Beach	6200	97	–
Yardan Hotel	2770	263	–
Hilon 1.0	280	14072	+1.8
M.L.L. 1.0	12777	6	–
Team 1.0	888	7627	+4.2
Real Estate, Building and Agriculture			
Al-Rov	348	7621	+10.1
Africa Isr. 0.1	46800	50	+5.2
Ariadan	2400	1300	+3.0
Dankner	6710	240	+10.0
Y.E.C.	288	12355	+7.4
Bayside 0.1	4484	2155	+6.0
Israel	19038	222	+7.6
Azorim Props.	338	14884	+3.7
Mehadrin	5985	632	+5.3
Hadarim Prop.	1588	2055	+8.7
Industrials			
Dubek	4350	1259	+3.8
Tampo 1.0	29190	–	+5.0
Sunfrost	17325	63	+5.0
Assis	356	4904	+1.4
Adgar	558	8074	+5.7
Argaman	11770	411	+10.0
Delta Galil	2600	1488	+4.4
Lodzia	865	710	+3.0
Ligat	270	2000	+5.9
Polgat	1210	7602	+3.9
Gibor Sabrina	8100	170	+8.0
Urdan 0.1r	8501	254	+5.7
Wire&Cable	390	20950	+6.3
Zion Cables 5.0	1229	1593	+4.2
Pecker Steel	2320	5822	+5.5
Elbit	319000	77	+4.3
Electra 0.1	2158	1847	+6.4
Aryt	18560	297	+8.8
Spectronix 1.0	1330	647	+3.1
T.A.T. 1.0	1088	498	+6.9
Y.P. Clal	185	87982	+2.2
Ackerstein 1.0	550	2161	+4.8
Agan	1910	1021	+5.8
Aliance	1730	735	+1.8
Gal Indus. 1.0	578	1065	+2.7
Fertilizers 0.1	2980	142	–
Haifa Chemicals	938	19620	+9.8
Periclase	515	4982	+7.5
Frutarom	46800	291	+5.9
Keter	207	7445	+6.2
Koor p	5984	900	+10.0
Investment Companies			
Wolfson 1 r	114000	–	–
Hapoalim Inv.	864	11837	+8.0
Mizrahi Invest.	23810	35	+10.0
Paz Invest.	2299	760	+5.3
Pama 0.1	7941	326	–
Ptryon	14025	995	+10.0
Ysum	170	43328	–
Oil Exploration			
Paz Oil Expl.	20900	480	+4.5
J.O.E.L.	473	48057	-9.2

Abbreviations: a.o. sellers only; p.o. buyers only; n.t. no trading; b bearer; r registered

Statistics

Stock Indices

General Share (excl argmt.)	125.88	+5.12%
Non-argmt.	184.79	+4.96%
Arrangement Banks	120.68	+0.17%
Mortgage Banks	131.12	+2.74%
Financial Inst.	126.50	+1.81%
Insurance	91.87	+2.87%
Commerce & Services	125.56	+4.74%
Real Estate & Agric.	116.75	+5.78%
Industrials	120.69	+5.44%
Food & Tobacco	104.30	+4.80%
Textiles	107.33	+4.63%
Metals	111.14	+5.44%
Electronics	91.51	+5.01%
Chemicals	131.00	+5.43%
Industrial Invest.	156.61	+7.03%
Investment Cos.	144.00	+5.57%
Oil Exploration	100.98	+6.23%
Parallel List	72.57	+2.53%

Bond Indices

Index-linked Bonds	122.37	+0.65%
Fully linked	124.88	+0.70%
Partially linked	117.82	+0.50%
Foreign Currency	118.33	+0.46%
FC denominated	113.83	+0.30%
FC linked	122.10	+0.54%
Short-term 0-2 yrs	117.65	+0.40%
Short-medium 2-5 yrs	121.63	+0.61%
Medium-long 5-7 yrs	125.61	+0.56%
Long-term 7 + yrs	127.79	+0.93%

Turnovers

Total Shares	NIS	28,919.9
Non-arrangement	NIS	22,142.2
Arrangement	NIS	10,777.7
Bonds	NIS	8,733.2
Treasury Bills	NIS	30,395.5

Share Movements

Advances	330	(192)
of which 5%+	131	(28)
buyers only	6	(2)
Declines	23	(90)
of which 5%+	4	(19)
sellers only	2	(5)
Trading Halt	52	(138)

Bond Market Trends

Index-linked:	
3% fully linked	Usually rises to 1%
4.25% fully linked	Rises to 3%
80% linked	Rises to 3%
Double linked:	Rises to 3%
Rimon	Rises to 1%
Gilboa	Rises to 2%
FC denominated	Mixed to 3%
T-bills	13.80 - 17.00%

Arrangement Yields

IDB ord.	12.50%
Union 0.1	n.t. %
Discount A	12.17%
Mizrahi R.	12.52%
Hapoalim R.	11.80%
General A.	11.89%
Leumi Stock	12.47%
Fin. Trade 1	12.32%

25 Shares

Name	Morning Price	Volume NIS	% Change	Afternoon Price	Volume NIS	% Change
First Internat'l	8120	475.9	-5.25%	8159	197.6	+0.50%
Hassneh r	251	235.3	-5.00%	252	36.4	+0.40
Clal Trading	439	525.1	+7.00%	439	145.7	n.c.
Supersol B	9558	213.6	+4.50%	9580	32.4	+0.20
Delek r	2492	404.0	+4.50%	2492	81.5	n.c.
Africa-Isr. 1.0	38287	443.0	-5.75%	38287	50.5	n.c.
Azorim	998	634.3	-6.75%	1003	94.5	+0.50
Prop. & Building.	2972	332.1	+5.50%	2972	48.5	n.c.
ILDC r	69911	189.0	+5.50%	69911	84.5	n.c.
Clal R Estate	735	72.5	+6.50%	735	52.6	n.c.
Elite	15486	148.4	+5.75%	15449	31.3	-0.20
Polgat B	833	95.9	-3.75%	833	45.2	n.c.
Is. Can Co. 0.1	4155	168.2	+5.75%	4155	38.7	n.c.
Elron	217741	103.5	+6.25%	219278	17.5	+0.70
Teva	10046	373.1	+6.25%	10117	95.4	+0.70
Dead Sea	2596	843.0	+3.00%	2602	130.4	+0.20
Petrochem	881	465.3	+6.25%	881	180.9	n.c.
AIPM	361270	1507.6	+6.50%	361270	104.7	n.c.
Central Trade	12961	115.8	+6.75%	12961	27.3	n.c.
Clal Industries	249	793.2	+6.75%	249	114.9	n.c.
IDB Develop.	8116	305.1	+4.00%	8116	73.5	n.c.
Ellern	1048	142.0	+7.00%	1048	19.7	n.c.
Israel Corp.	4427	436.4	+7.00%	4427	168.6	n.c.
Discount Invest	2294	727.0	+5.50%	2294	116.0	n.c.
Clal 1.0	1271	675.6	+7.00%	1271	60.1	n.c.

Buy now, drink later

By HAIM SHAPIRO and KEN SCHACHTER
Jerusalem Post Reporters

If Israeli wine connoisseurs had hoped to enjoy the Cabernet Sauvignon which brought a gold medal to Yarden wineries, they have another thing coming to them. The wine is all sold out Yarden manager Shimshon Welner told *The Jerusalem Post* yesterday.

Speaking at a press luncheon held at the Tel Aviv Hilton in honour of the gold medal wine, Welner broke down and admitted that the winery does have 1,000 cases, which it intends to hold for two years, until the prizewinning red wine reaches what the winemakers believe will be its full potential.

The few bottles of the 1984 vintage, with its London gold medal, which are still available are now selling for somewhere in the range of NIS 60 a bottle.

Under its Golan label, the winery is producing another Cabernet, which is made with 30 per cent grapes from the choice Ramot Naftali vineyards, with the remainder from Gishur, also in the Golan Heights.

The Cabernet grapes are also used for making the Cabernet blanc, a fruity "blushing" wine and a Cabernet rose.

Meanwhile, the winery has granted the Tel Aviv Hilton sole rights to sell the 1985 Cabernet, which has just come on the market, for the month of November. According to Welner, the 1985 vintage has an even greater potential than that of the preceeding year and much of the production has already been sold under a joint venture between Diners Club Israel and the winery.

This venture allows Diners Club members to order a bottle of the 1985 Cabernet, the 1987 Yarden Sauvignon Blanc, or the 1985 Golan Cabernet Sauvignon for future delivery at a 40 per cent reduction in their expected April price.

Purchasers of "future wine" have the option of taking possession of the wine immediately or receiving a certificate of ownership and getting delivery in April.

Welner noted that although production has been expanded, the four-year-old vineyard was able to allocate only 600 12-bottle cases to the project. He said sales for 1987 are expected to reach $5 million, with exports reaching more than $1 million.

The stock market turmoil of recent weeks, however, has added an element of uncertainty to 1988 sales. "We have difficulties because of the U.S. crisis," he said. "I call maybe once a day to my customers to see if they still want the wine." Thus far, he said, the demand for his wine has weathered the frenetic turns of the Dow Jones Average.

Jules Polak, managing-director of Diners Club Israel, said the "future wine" plan, inspired by similar programmes abroad, is intended as a service to Diners Club members and will not have a significant financial impact on his company. "There's no intention to make it a real business," he said.

Shikun Ovdim's latest profits

Post Economic Staff

TEL AVIV. -- Shikun Ovdim showed a net profit of NIS14.4 million on sales of NIS 241 million for 1986, according to a financial report released yesterday by the board of directors. This compares with a net profit of NIS1.2m. in 1985. Rafi Edri, chairman of the board, forecasted a growth in profits of about 10 per cent for the housing company next year.

Shikun Ovdim recently formed a holding company with another Histadrut company, the financially-troubled Solel Boneh construction firm, with Edri as chairman of the new company.

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NORTH AMERICAN BANK LTD.

NOTICE TO ACCOUNT HOLDERS OF NORTH AMERICAN BANK LTD.

On 1.11.87, our customers' bank accounts were transferred to The First International Bank of Israel and to Bank Poale Agudat Israel

Our branches at 2 Ben Yehuda St., Jerusalem, in Mea She'arim and in Bnei Brak will become regular branches of Bank Poale Agudat Israel and accounts will continue to be kept at the above premises.

Accounts kept with our Beersheba branch will be transferred to The First International Bank's Beersheba branch, situated at 63 Hadassah St., P.O.B. 230, Beersheba 84101, Tel. 057-33266.

Accounts kept with our Ashdod Branch will be transferred to The First International Bank's branch in Ashdod situated at 9 Rogozin Street, P.O.B. 176. Tel. 08-521131. Ashdod 77101.

Accounts kept with our Tel Aviv branch will be transferred to the Bank Poale Agudat Israel branch situated at 13 Montefiore St., P.O.B. 2971, Tel Aviv 61297. Tel. 03-636621.

A letter, providing more particulars, was sent to all our customers.

Customers may continue to use our cheques and credit cards until 21.11.87.

Our customers are requested to contact the above mentioned bank offices.

Depositors, whose accounts are transferred, will retain all their rights.

North American Bank Ltd.

no041-08-022

Israeli Money Markets

Shekel Deposits (annual rates)

Bank	Deposit Size	Pachak	7 days	14 days	30 days
Last Updated					
Leumi (Oct. 28)	40-1,000	-	7.00	8.00	10.50
	1,000-10,000	12.25	12.00	13.00	15.50
	10,001-50,000	12.50	13.00	14.00	16.25
	50,001-100,000	12.75	13.25	14.25	16.50
	100,001-500,000	13.00	13.50	14.50	16.50
Hapoalim (Sept. 7)	Up to 999	6.00	6.00	6.50	6.75
	1,000-9,999	11.00	11.00	11.50	12.50
	10,000-49,999	11.50	12.50	12.00	13.00
	50,000+	12.00	12.00	12.50	13.50
Discount (Oct. 29)	50-990	6.00	7.00	8.00	10.00
	1,000-9,990	12.00	11 00	10.00	14.00
	10,000-49,990	12.50	12.50	14.00	15.00
	50,000-99,990	12.50	12.50	14.00	15.00
	100,000+	14.00	15.50	16.50	16.50
Mizrahi (Sept. 20)	40-1,000	9.0*	6.00	7.00	9.00
	1,001-2,500	10.**	10 00	10.00	12.00
	2,501-5,000	12.00	12.00	12.00	14.00
	5,001-10,000	13.00	13.00	13.00	15.00
	10,001-50,000	13.50	14.00	14.00	16.10
	50,000+	14.00	14.00	14.00	16.10
First Intl (Oct. 4)	50-999	-	8.90	9.10	9.60
	1,000-4,999	11.00	11.50	13.00	14.50
	5,000-9,999	11.50	12.00	14.10	15.00
	10,000-49,999	12.50	12.50	14.30	15.40
	50,000+	13.00	13.00	14.60	15.60

*NIS 2,000-4,000 **4,001-15,000

Patah (foreign currency deposit rates, Oct. 30)

Currency (min. deposit)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar ($100,000)	7.125	7.125	7.500
Pound sterling (£100,000)	7.625	7.625	7.625
Deutschmark (DM 200,000)	3.625	3.750	3.875
Swiss franc (SF 200,000)	3.125	3.125	3.125
Yen (10 million yen)	3.375	3.375	3.500

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

Shekel Foreign Exchange Rates (Oct. 30)

	Cheques and Transfers Buy	Cheques and Transfers Sell	Banknotes Buy	Banknotes Sell	Rep. Rates
Currency basket	-	-	-	-	1.6815
U.S. dollar	1.5652	1.5848	1.53	1.60	1.5743
Deutschmark	0.9011	0.9124	0.88	0.92	0.9053
Pound sterling	2.6858	2.7195	2.62	2.74	2.6980
French franc	0.2657	0.2691	0.26	0.27	0.2675
Japanese yen (100)	1.1277	1.1418	1.10	1.15	1.1328
Dutch florin	0.7894	0.8094	0.78	0.82	0.8042
Swiss franc	1.0885	1.1021	1.06	1 11	1.0938
Swedish krona	0.2516	0.2548	0.25	0.26	0.2529
Norwegian krone	0.2377	0.2407	0.23	0.24	0.2391
Danish krone	0.2330	0.2359	0.23	0.24	0.2344
Finnish mark	0.3660	0.3706	0.36	0.37	0.3681
Canadian dollar	1.1957	1.2015	1.16	1.21	1.1949
Australian dollar	1.0596	1.0729	1.00	1.10	1.0669
S. African rand	0.7787	0.7884	0.51	0.61	0.7830
Belgian franc (10)	0.4302	0.4356	0.42	0.44	0.4325
Austrian schilling (10)	1.2788	1.2948	1.25	1 31	1.2859
Italian lira (1000)	1.2238	1.2391	1.19	1.26	1.2290
Jordanian dinar	–	–	4.29	4.56	4.4868
Egyptian pound	–	–	0.67	0.71	0.7242
ECU	–	–	–	–	1.8679
Irish punt	–	–	–	–	2.3970
Spanish peseta (100)	–	–	–	–	1.3579

SOURCE: BANK LEUMI.

European Markets

EUROPEAN FINANCIAL MARKETS (Oct. 30)

Precious Metals

Gold	London	a.m. fix	468.00
	London	p.m. fix	468.80
	Paris	noon fix	471.81
	Zurich	p.m. fix	468.75
Silver	London	Spot	688.00
Platinum	London	p.m. fix	515.75

Libor Rates

	1 month	3 months	6 months
Sterling	9⅝	9⅝	9⅝
Dollar	7⅛	7⅛	7⅛
S-franc	2¹³⁄₁₆	3⅛	3⅛
D-mark	3⅝	4¹⁄₁₆	4⅛
Yen	4¼	4½	4½

SOURCE: MARINE MIDLAND BANK

Foreign Currency Crossrates (London 15:30 GMT)

Forward rates	Spot	3 months	6 months	12 months
Pound sterling	1.7210/20	72/67	140/130	220/200
Deutschmark	1.7290/00	160/155	290/285	580/570
Swiss franc	1.4292/02	139/132	275/265	580/550
Dutch florin	1.9420/35	118/113	228/219	467/453
French franc	5.8650/50	165/200	365/405	700/825
Japanese yen	138.20/35	114/109	227/219	455/435
Italian lira	1270.0/8.0	125/145	250/300	510/560
Belgian franc	36.10/20	6.5/4.5	13/8	39/28
Canadian dollar	1.3140/70	19/24	58/65	124/141
ECU	1.1930/40	0/4	4/11	12/32
S. African rand	0.4978/88	10/3	17/9	48/35
Austrian schilling	12.15/18	8/6	16/12	32/23
Swedish krona	6.1900/50	275/315	600/660	1155/1250
Norwegian krone	6.5550/00	1900/1230	2315/2375	4265/4380
Danish krone	6.6750/00	350/420	750/850	1300/1500

Share indices

Commerzbank 60 stocks ..... 1,526.0 +98.9 Financial Times 100 stocks ..... n.a.

NEW YORK FINANCIAL MARKETS (Oct. 30)

U.S. Money Rates

Prime rate	9.00-25%	Fed funds (late)	6 7/8%
Broker loan	8.00-8.25%	Long term bond	98 17/32-18/32
NY Euros (3 mos.)	7 11/16-9/16%	Discount rate	6%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
Latest	1.7275/85	1.4305/20	1.7220/30	138.38/45	1.3150/55
High	1.7388	1.4393	1.7260	138.98	1.3195
Low	1.7240	1.4250	1.7090	138.05	1.3148

Comment:
The dollar closed lower amid pessimism over prospects for a renewed agreement among the G-7 nations to coordinate domestic policies and stabilise exchange rates. Given Congress's failure to respond to last week's stock market drop by passing legislation to cut the U.S. budget deficit, the dollar is expected to see renewed selling pressures next week.

Precious Metals

Gold	Spot	469.50	Silver	Spot	6.96
	Prev close	466.15		Prev close	6.89

Wall Street (Prices as of 16:00 GMT)

Market Indices			NYSE Highest Volume		
DJ Industrials	1,993.53	+55.20	Tenneco	44⅜	+1⅜
DJ Transport	757.24	+31.74	ATT	29⅞	+ ½
DJ Utils	182.55		Union Carb	21½	+2⅜
Stocks	732.23	+20.15	Gen Elec	47⅜	+1¾
NYSE Comp	140.80	+4.52	Amer Expr	24⅛	+ ½
NYSE Inds	168.19	+5.92	Chase Man	27½	+ ⅜
NASD Cmop	323.30	+16.25	P Suc NM	24⅞	+ ⅝
S-P 100 index	248.22	+5.97	IBM	122½	+2¼
S-P Comp	251.79	+7.024	Exxon	42⅝	+1⅜
S&P OTC 250			USX Corp	27½	+1⅝

Statistics

NYSE	Volume	303,360,000	NASDAQ	Volume	205,898,800 (Oct 29)
	Stocks up	1,361		Stocks up	1781
	Stocks down	139			

Comment:
Wall Street closed another hectic week with a second straight day of strong gains as investors began to believe that an accommodative monetary policy will be maintained to prod the economy forward and aid the market despite dollar weakness, traders said.
"People are feeling extremely encouraged by the advances on Thursday and Friday, and we are witnessing something that is bordering on confidence," said Jon Groveman, a stock trader with Ladenburg Thalmann and Co. The Dow Jones Industrial average climbed 55 points to close at 1993. For the week, the average rose 43 points, the first weekly gain since October 2.
The broad market indexes were all lower and declining issues outpaced advances by almost seven to one. Volume again soared, hitting 395m. shares, though it slid from the 449m. shares that traded Wednesday.

Israeli Stocks Traded in New York

NYSE/Amex

	Last	Prev. close	High	Low	Vol. ('00s)
Alliance	—	⅞	—	—	—
Am Isr Pap	20⅞	20¾	21⅛	20⅞	63
Ampal	2⅛	1⅞	2⅛	2	80
Carmel Cont	5¾	5⅝	5¾	5⅝	11
Elscint	1¼	1⅛	1¼	1⅛	224
Etz Lavud	5⅝	5¼	5¾	5⅝	21
Laser Inds	7⅛	6⅛	7½	6½	1683

Over-the-Counter

	Last	Bid	Ask		Last	Bid	Ask
Ampal	—	5½	7½	IDB Bank	—	57	61
Aryt	—	4⅛	4¾	IIF	3¼	2⅞	3¼
Bank Leumi	—	24	26	Interpharm	—	2¾	3½
Biotech Gen.	5	4½	5	Optrotech	7⅛	6½	7¼
Elbit	5	5	5⅛	Oshap	—	2	2½
Elde	—	1⅜	1 7/16	Rada	—	2	2½
ECI Tel	3⅜	3⅜	3½	Scitex	2¼	2	2¼
Elron	3½	3½	3⅞	Taro Vit	—	⅞	1⅛
Fibronics	2⅝	2⅝	2⅞	Tevapharm	—	6¾	7⅛
Galagraph	—	1⅞	2¼				

OVERSEAS FINANCIAL DATA PROVIDED BY REUTERS MONITOR

The Jewish Agency
Israel Education Fund

TENDER No. 81/667/81

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of a:
SENIOR CITIZENS CENTRE AT TEL HANAN, NESHER
WITHIN THE FRAMEWORK OF PROJECT RENEWAL
2. The projected construction is approximately 350 sq.m.
3. Conditions of the tender as well as all other pertinent information can be obtained from Sunday, November 8, 1987 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m.-12:00 noon, against a non-refundable deposit of NIS 250.
4. A special tour of the construction site for contractors will be held on Tuesday, November 17, 1987, departing at 10 a.m. from the Engineer's office at the Nesher Local Council.
5. Bids should be submitted not later than 1:00 p.m. on Wednesday, December 9, 1987 at the address mentioned in paragraph 3 above.
6. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors for the execution of Engineering and Construction Works 1969, such contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
7. The Agency does not undertake to accept the lowest, or any other bid.

no081-09-F14

Ari Rath
Editor and Managing Director

THE JERUSALEM POST

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No more excuses

UNTIL Lt. Izat Nafsu scored his historic upset against the Shin Bet in the High Court, the idea of investigating Israel's General Security Service, whether by the police or through a judicial inquiry commission, was fiercely denounced at the highest reaches of government as a counsel of madness if not disloyalty. Any such investigation, it was contended, would mean the opening up of a Pandora's Box of the most closely guarded state secrets, and could devastate the Shin Bet as an effective arm in the continuing war on terrorism.

With the unclassified portion of the Landau Commission's report now before the public, it must be admitted that the fear of what such a body might do was entirely unwarranted.

The commission, established rather late in the day and virtually under duress, did not set out to render justice at any cost, and let the chips fall where they might. It plainly considered its brief to consist in reconciling the imperative of the rule of law with Israel's need, as an occupier, for an unorthodox law-enforcing organization that cannot at all be equated with the police. And the commission seems to have been willing to read its recommendations for the future reform of the Shin Bet and the law under which it should operate, even into its past.

But in the process, the commission has in so many words confirmed a terrible truth: that for the past 16 years the Shin Bet ran its own show, perjuring its way through the courts to the conviction of those terrorists from whom torture had elicited confessions and enjoying the blind confidence of political leaders whose only concern was with concrete evidence of success in rooting out terrorism.

Former justice Moshe Landau and his two colleagues have satisfied themselves that Shin Bet operators did not mean to convict innocent persons by employing harsh methods of interrogation, and then denying in court their resort to those methods. But by themselves suggesting that permission should now be allowed for appeals against terrorist convictions based exclusively on confessions, the members of the commission in effect concede the possibility that an untold number of those forcibly extracted confessions may have been false.

Given that the Shin Bet practice of perjury until very recently was plainly illegal, who is now to be held accountable for it?

According to the commission, no-one – neither the courts, nor the military, nor the political leadership. The example of the Kahan Commission on the Sabra and Shatilla massacres, which refused to spare the political echelon, is not followed. The Landau Commission believes that a Shin Bet overseer as badly equipped for the task as the Israel premier is, could not be expected to do a better job of keeping the service clean and law-abiding than he has done.

Since the commission's hearings were all held behind closed doors, it is impossible to tell on what precise testimony this conclusion is based. Independent evidence suggests that Premiers Yitzhak Shamir and Shimon Peres could both have done a much better job than they did. What was lacking was not technical ability, but the will. And the will was lacking because the premiers did not want to know more and assumed that the Shin Bet could do no wrong because in any case, in the fight against terror, law and security needs were, more often than not, irreconcilable.

The commission rejects that completely. It believes that even terrorists can be effectively corralled within a legal system that preserves human dignity. That confidence is itself impressive and tantalizing. Unfortunately, however, the legal and operative substance on which it is based remains concealed in the classified, unpublished sections of the report.

Yet given that confidence and the specific guidelines for the future which the commission has established in those unpublished sections, it must be assumed that from now on at least our prime ministers, to whom the GSS is accountable, will not be able to make whitewash their favourite resource.

The safety of belts

IT IS SAFE to hazard the guess that not too many Israeli townspeople were overjoyed to be reminded yesterday that it was November 1, and that the wearing of safety seat belts while driving inside a town, and not only between towns, had just become mandatory. And that, while they still had one full month to get used to the new regulation to that effect issued by the Ministry of Transport, if they kept ignoring it next month they might well suffer the consequences at the hands of the law.

Most people, it seems, believe that putting on a safety belt for a trip that could take only a few minutes is a waste of time, a gross inconvenience and a wilful bureaucratic imposition – and that it does not cut the rate of road deaths and injuries.

They are wrong, as is proven by the accumulated experience over many years of a host of cities in the western world. The new measure is an imposition indeed, it does cause some inconvenience, but it also helps reduce road casualties within towns by some 20 per cent. The arguments trotted out against the wearing of safety belts in towns today are not in fact very different from those that were adduced in the distant, and now forgotten, past against wearing any such belts at all.

It is quite possible, however, that the new measure would have secured readier public acceptance if the man who finally promulgated it, Transport Minister Haim Corfu, had not frittered precious time away by fighting it.

Perfectly uncertain

By Pinhas Landau

THE GREAT advantage of writing an article on the markets on Sunday for publication in Monday's paper is that the Dow Jones Industrial Average will not change in between. That's the nearest thing to an unconditional statement that it's still possible to make about the markets.

But even if you read this at the crack of dawn, Tokyo and the other Far Eastern exchanges will be ahead of you, and it. That is only one reason, albeit a sufficient one, not to look too far ahead – "too far," in this case, meaning tomorrow morning.

Was it Groucho Marx who said, "I can't stand people who make predictions, particularly about the future"? Whoever it was, he was right. But that doesn't help matters either, because the demand for assessments about what is going to happen rises in direct proportion to the degree of uncertainty prevailing. And uncertainty has never had it so good.

Regretably, it has become nearly as difficult to assess the past as the future, but that itself provides something of a clue to what is going on. If there were a clear explanation of why what happened happened, it would be much easier to at least project the subsequent course of events.

But there isn't even the beginnings of a consensus of such an explanation. Numerous analysts and commentators are convinced that they have the answers to what caused the boom and bust of 1987. Based on that, they are able to look ahead with confidence. If you believe any of them – if you have a guru – then you can act on the basis of their predictions. If you are eclectic, you're in trouble.

THE WIDER one reads, the more confused one can become. This writer, enjoying the luxury of enforced detachment at a time when he would normally be drowning in work, has indulged himself by reading and listening as widely as possible, while remaining determined not to be confused. What follows are some very preliminary, highly tentative suggestions to those who find themselves (justifiably) perplexed.

1. Don't try and hide. This is no AIDS epidemic, which you can avoid by isolation and doing nothing. Whatever and wherever you are, you will be affected, so you have no choice but to follow events and try to understand them as best you can.

2. This is because whatever is going on, while initially centred on share markets, actually encompasses every financial market, and plugs into the totality of economic activity all around the world. If you intend to stay alive, you are included in the totality of economic activity, so don't pretend indifference or feign lack of concern.

3. If you want to follow the markets, then follow all the markets. The great rumpus over the share markets has dominated the front pages and stolen all the headlines. But there are many other markets that matter, some of them much more than the share markets.

Take bonds, for instance. If you weren't aware that the week before last, when shares were being slaughtered, saw the biggest-ever weekly rise in U.S. government bonds, then you simply don't know what's going on. Bond markets everywhere have boomed, as central banks have pumped in liquidity to prevent the share rout turning into financial collapse, thereby pushing interest rates sharply lower.

This has tremendous implications all along the line. Many more people hold bonds, directly or indirectly, than hold shares – and therefore their position has actually improved in the last two weeks. The co-ordinated action of different governments also indicates how much international co-operation is going on, although once again, no-one knows if this is going to be maintained, and whether it can hold the line.

EVEN MORE fundamentally, it calls into doubt the smug assumption that took hold immediately following the crash, that we're heading into a recession, maybe even a depression. This is so far from certain that the opposite view, that the likely problem for next year is inflation, has resurfaced, after being briefly driven underground by the fixation on the huge wealth-extinguishment that took place on the share markets.

At this time, nobody has any clear basis for expecting a recession. We may have one, or we may get inflation instead. Or both. Or neither. It depends on the causes of the share slump, which are not clear, on the reactions, which are still taking place, and on the outcome, which has barely begun to emerge.

4. This leads to another important aspect. Millions of words of instant analysis have poured forth, but to no real avail. Most of it has been predicated on the assumption that the U.S. budget and trade deficits are the root cause of what happened, but that is itself subject to fierce dispute. Many other, equally well-titled commentators point to the fact that the long-running deficits did not prevent the five-year boom on Wall Street and in the U.S. economy generally, and in fact may even have encouraged it.

Ideology has a lot to do with this argument, and the divergence between Right and Left in current economic thinking has been starkly exposed. There is plenty to say on that subject, but for the uncommitted general public the point to note is that there is no agreement as to the respective roles of fiscal, budgetary and monetary policies in different countries in what happened. Ergo, and as already stated, there is no way of knowing what will follow.

5. The role of psychology has been dramatized to a ridiculous degree. Anyone with any knowledge of markets knows that they are driven by the three emotions, HOPE, FEAR AND GREED. Thus, the markets are always described as having "to climb a wall of fear." The extreme form of fear is panic, which is what we have been witnessing. The cycle, whereby fear replaces greed, and gives way in due course to hope, is eternal, because the markets involve those emotional creatures, human beings.

This leads to excesses, or "overshooting." Underlying the market cycle, however, is the business cycle, and both of these are ultimately moved by basic economic processes. Even these are human creations, however, and hence subject to unpredictability and irrational behaviour in the short term. That is why timing is so difficult, which in turn is why most speculators lose and only a few become rich.

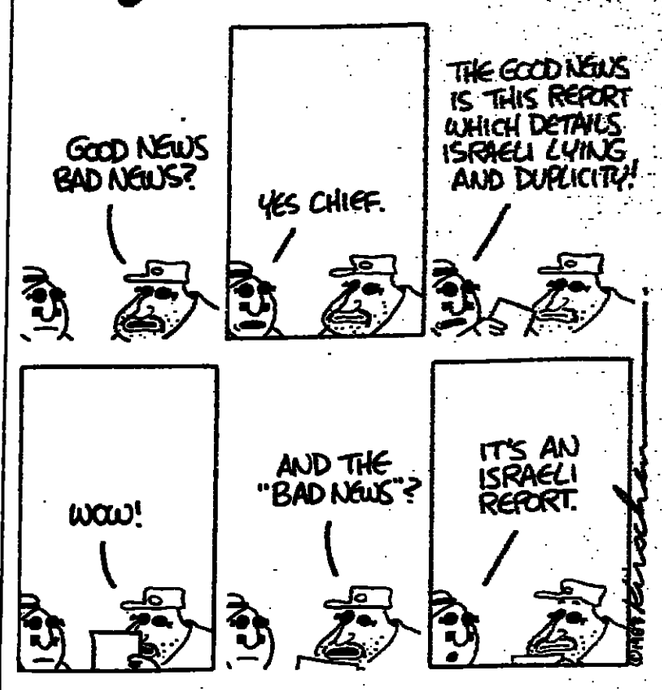
6. If this much is granted, then other very basic rules of behaviour must retain their validity, or even be reinforced by the current volatility. Thus the importance of spreading risks as widely as possible should have been rammed home as never before. With various markets zooming up and down seemingly at random, only the brave and foolhardy are going to try jumping in and out in short-term maneuvers. The rest will hope that what they lose on the swings will be picked up on the roundabouts. In anything less than a doomsday scenario, that remains correct.

7. Speaking of doomsday, all the apocalyptic prognoses, especially the wave of recent bestsellers on impending market doom, have proven only partially right. Reality continues to outperform fiction, and this surely can be relied upon to continue.

IN CONCLUSION, two weeks of chaos point to the following: There is no certainty as to the causes, and confusion as to the effects. Everyone is involved, willy-nilly. To keep abreast, concentrate on facts and data, not interpretation and opinions. Everything is a risk, but some are higher than others. However, it's almost impossible to measure the degree of risk in anything at any one time, so spread 'em. Above all, don't be wide-eyed or wild-eyed. Just keep your eyes, and mind, wide open.

The writer is the Jerusalem Post *finance reporter, currently on reserve duty.*

Dry Bones



READERS' LETTERS

VATICAN POLICY

To The Editor of The Jerusalem Post

Sir, – Ya'akov Morris' op-ed piece of September 9 on the Vatican's "obsolete policy" presents compelling arguments against the UN plan calling for the "internationalization" of Jerusalem. Morris is right. The idea of internationalization is anachronistic, overtaken by subsequent events.

But Morris's polemic against the Holy See is equally anachronistic. The Holy See, in point of fact, stopped its active advocacy of the UN's internationalization plan shortly after the 1967 war. Instead, for almost a decade now, the Holy See has called for an internationally-recognized set of legal principles to ensure the religious plurality of the city "whoever has sovereignty." It has no objection in principle to Israeli sovereignty and certainly no claim to sovereignty for itself. One wonders where Morris has been these past 10 years that he would have missed this significant shift in Vatican policy.

Even more anachronistic and obsolete are Morris's views of Catholic theology. The official communiqué of the recent meeting with world Jewish leaders in Rome stated unequivocally that "there exist no theological reasons in Catholic doctrine that would inhibit... full diplomatic relations between the Holy See and the State of Israel" (September 1).

Morris, however, wishes to dispute Catholicism's understanding of its own doctrines, imputing to the Church beliefs which the Church itself has explicitly rejected. Morris projects unto us, for example, a "Vatican doctrine of its Church replacing Jewish 'chosenness'... the Jews having forfeited this title as a punishment of the Almighty."

A few years ago, the diocese of Rome issued official guidelines for ecumenical and interreligious understanding. In that document, the Roman diocese used the phrase, "the People of God, Jews and Christians." Does Morris think the diocese of Rome is in heresy? Should its bishop have checked with Mr. Morris before including *both* Jews and Christians together in its concept of "Chosen People?"

As for Morris's notion that the Jewish people forfeited its covenant as a divine "punishment," the Second Vatican Council was absolutely clear on the issue over 20 years ago: "the Jews should not be presented as repudiated or cursed by God as if this followed from sacred scripture" (*Nostra Aetate*, no. 4). On the contrary, as Pope John Paul II stated during his visit to the Rome Synagogue, God's covenant with the Jewish people is "irrevocable" (April 13, 1986). More recently, in Warsaw, the Pope declared that the Jewish people are "still the heirs of that election to which God is faithful" (June 14)

Relations between Catholics and Jews are complicated enough without inventing spurious Church "doctrines" that do not exist and then trying to impose them on us. No less than Jews, we Catholics demand the essential right to define our own beliefs. *EUGENE J. FISHER,*
National Conference of Catholic Bishops,
Bishops' Committee for Ecumenical and Interreligious Affairs,
Secretariat for Catholic-Jewish Relations.
Washington, D.C.

CAMPAIGNING FOR SOVIET JEWRY

To the Editor of The Jerusalem Post

Sir, – It was a joy for me to read of the homecoming of Colonel Lev Ovsischer in your issue of October 22.

In my 13 years of involvement with the campaign for Soviet Jews, I have seen now five of the people that I have written to come home to Israel. And I never lose the joy of this.

I would urge my fellow non-Jews to get involved. When you return to your homelands, find the addresses of organisations campaigning for Soviet Jews and offer to help. If you present yourself at a synagogue, any rabbi can give you the information.

For the most part, the gentile world stood silent between 1939 and 1945 and a horrifying crime was committed. A new word had to be invented for it – genocide. Let us not be guilty of the same error as previous generations.

One man that I am still writing to is Dr. Semyon Gluzman. He is a very courageous Jewish man. He was the first Soviet psychiatrist to tell the West of psychiatric abuses in the USSR. For that "crime," he received seven years in a strict regime concentration camp and three years internal exile. Following his release in 1982, he, his wife Irina and her daughter Yulia applied for emigration to Israel. Semyon Gluzman was told that he would never be given a visa. But I have faith otherwise.

VALERIE SEALEY
Jerusalem.

GETTING ALONG WITHOUT KOL YISRAEL

To the Editor of The Jerusalem Post

Sir, – While we viewers and listeners get increasingly more frustrated with each passing day of the TV and Kol Yisrael strike, it seems that, as usual, the public is left out in the cold, ignored and ridiculed.

Then, a light on the horizon! *Kol hakavod – chapeau* – to the experimental channel 2 for its live coverage of Ida Nudel's triumphant arrival – an important and historical event those of us able to see channel 2 were lucky enough to watch.

And *kol hakavod* to the Army Radio which has been keeping us informed, as usual, 24 hours a day.

Perhaps we can learn to get along without Kol Yisrael permanently!

ADINA MISHKOFF
Jerusalem.

ROAD BLOCKS

To the Editor of The Jerusalem Post

Sir, – Recently, you mentioned the indignation of an Arab motorist who was forced by Israeli soldiers to remove a barricade he had nothing to do with erecting. Your readers could think that the Arab was being punished, exploited, or humiliated simply for being an Arab. There is another side to the issue, and I don't believe it is a military secret.

If Israeli soldiers made a practice of personally dismantling barricades, then the road blocks might start being booby-trapped. But as long as a hostile Arab knows that his brothers, and not his enemies, will be dismantling that barricade, then he will not make a trap out of it to endanger lives.

MARK LEVINSON
Herzliya.

TASTELESS AD

To the Editor of The Jerusalem Post

Sir, – Just in time for the start of our 40th anniversary, Mifal Hapayis, the state-owned and state-run national lottery, tells us in giant posters all over the country: "Both villa and Volvo in one stroke." Our new national symbols, the V-sign of our days: villa and Volvo. Are we not submitted to enough snob appeals without Mifal Hapayis joining in?

In view of the tragic situation of our health care system and the miserable level of salaries of many of our workers – to mention just two of our many economic ills – it is a sign of blatant insensitivity and bad taste for a government agency to thus support the forces of snobism and superficiality.

FRED B. TARSCHIS
Tel Aviv.

SPEED LIMITS

To the Editor of The Jerusalem Post

Sir, – I have noticed that there are no slower posted speed limits in Israel in heavily populated residential neighbourhoods. The general city speed of 50 k.p.h. applies everywhere.

A driver, who knows that he has to be prepared to stop instantly if a child should so much as step off the curb or step out from between two parked cars on one of these narrow streets, must realize that 25-30 k.p.h. is as fast as he dares to drive. That speed comes somewhere close to the safe speed which California law requires of drivers in all residential areas (25 m.p.h.)

In Rehovot, on Weizmann Street, which is just such a narrow busy street, three children were hit by cars this past year. One was hit while on the zebra crossing. Most frustrating is that the main police station is at one end of Weizmann Street and the police cars repeatedly zoom down Weizmann with no warning lights and no sirens to alert pedestrians.

I say that, if most drivers in Israel, including the police, have no good judgment as to what speeds are safe in pedestrian areas near zebra crossings on narrow streets, then city speed limits should be posted in those accident-prone areas at 25 or 30 k.p.h.

LIZ LAUTER
Rehovot.



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